









# The Salinas Revolution: Sweeping Across Mexico and Opening Doors to the North

By Edward Cody  
Washington Post Staff Writer

**MEXICO CITY** — President Carlos Salinas de Gortari, a budding Harvard-trained economist, took office in 1988 with a reputation as a cautious technocrat. But he has proved to be as radical in his own way as the revolutionaries who galloped over Mexico at the beginning of the century with bandoliers across their chests.

Suddenly last summer, for example, Mr. Salinas reversed Mexico's long-standing protectionist policy and opened the way for the Free Trade Agreement now being debated in Washington. In another sharp departure, he has thrown aside Mexico's reticence toward its northern neighbor and lobbied hard to overcome opposition to the treaty in Congress and the U.S. labor movement.

Mr. Salinas's revolution is rooted in a new realism about Mexico and its problems. In a land where politicians have often been known for flowery rhetoric, unkept promises and political corruption, he has insisted on honesty and relatively clean government.

The shift in attitude has thrown open the economy and transformed the atmosphere in which Mexican businessmen and politicians make decisions. An era of cooperation and studied good feeling has sprung up in dealings

with the United States, tempering a history of hypersensitivity, mistrust and acrimony.

The proposed Free Trade Agreement shows the extent of the changes Mr. Salinas has introduced. U.S. administrations repeatedly proposed such a treaty in the past, only to be met with rejection from Mexican leaders who suspected the goal was to sink hooks into the country's economy and oil reserves.

Mr. Salinas's turnaround was part of the new realism, a recognition that no matter what their historical differences, the United States is Mexico's largest trading partner and Mexico is the United States' third-largest, and both have to compete in an unforgiving world economy.

"We changed because of our own internal reasons, and also because the world is changing," Mr. Salinas, 43, said in an interview.

He said he realized that if Mexico remained outside the commercial blocs, then "it was not going to be possible to grow with the dynamism required by a country of 82 million inhabitants, to whom almost 2 million are added every year."

The new atmosphere — in which political promises are actually kept — is evident to Antonio Rodriguez Ramirez, 68, a railroad foreman nearing retirement. He has experienced some of Mr. Salinas's new realism up close in his own neighborhood, Colonia Lupita, a poor area of Irapuato in strawberry-growing

country 280 kilometers (175 miles) northwest of the capital.

When Mr. Salinas visited Colonia Lupita in January, he promised to get proper sewerage systems installed and to have the streets paved, both for the first time. Four months later, Mr. Rodriguez said, the sewers are in place. A neighborhood committee assessed each household 75,000 pesos (\$25) to contribute to the paving, which soon will be finished.

The president has said that he precedes each such visit with a study of what the budget will

though a major pollution source in what is arguably the world's dirtiest city, was too important to close.

The Ecology and Urban Development Ministry, which had accepted the earlier doctrine, quickly got in line. It has since ordered temporary closings of more than 200 businesses for violating long-standing environmental laws.

"Our commitment is real, because there is a real demand from society," Mr. Salinas said.

The president first tackled problems in his own domain, carrying out what Commerce and

## Cooperation and good feelings have replaced mistrust and acrimony in dealings with the United States.

allow the government to accomplish in that region, promising only what he knows will be carried out.

"People were very tired of promises," said Carlos Rojas, an undersecretary in the Budget and Planning Ministry who manages a \$2 billion program, Solidarity, which Mr. Salinas put into place to finance such projects and coordinate them with local officials.

Similarly, Mr. Salinas closed the capital's March 18 Oil Refinery two months ago, jettisoning official doctrine that the refinery, al-

Industrial Development Minister Jaime Serra Puche called "a radical transformation" of the way the economy was organized.

Talks began immediately on restructuring the foreign debt, which stood at \$101 billion and amounted to 70 percent of the gross national product. In February last year, a deal was struck that led to a reduction to \$80 billion, giving Mexico breathing room by cutting the debt service payments that were eating up dollar earnings from oil and manufactured exports.

The agreement was made possible in large part because Mr. Salinas took parallel steps that convinced creditor governments that Mexico was serious about long-term economic changes. The number of state-owned businesses, for example, has declined from 747 in 1989 to 344.

Largely because the divested businesses no longer drain away public funds to finance their perennial losses, the government's deficit has been reduced from 16 percent of gross national product in 1987 to a projected 1.9 percent this year.

At the same time, Mr. Salinas abandoned the long-held belief that Mexico's business must be protected from U.S. competition to survive. He accelerated an economic opening begun in the last years of his predecessor's administration, slashing duties that had ranged above 100 percent down to an average trade-weighted tariff of under 4 percent and making the Mexican economy one of the world's most open.

A result is visible on supermarket shelves, where pricey Italian pasta, Spanish wine and U.S. breakfast cereals have become available alongside lower-quality Mexican products. For the first time, imported Corvettes and Cadillacs have begun cruising the capital's streets with home-built Volkswagens and Chryslers.

More important for the economy, opening Mexican business to competition from outside

its borders increased the pressure for reliance on free-market forces rather than the traditional government price controls that had long skewed economic decisions, a private-sector economist said.

Inflation, which was climbing toward 180 percent as Mr. Salinas campaigned for election, sank back to about 30 percent last year and is estimated to drop below 20 percent in 1991. The president cited the reduced rate as his major economic accomplishment, with slashes in the public sector deficit a large part of the reason.

To enforce a theoretically voluntary Solidarity Pact designed to control prices and wages, last month the government rejected without ceremony a union demand for large increases in worker salaries. As a follow-up, it called first on unions then on restaurants to scale back creeping price rises, sending out inspectors to close establishments that refused to be persuaded.

Some restaurants posted "Solidarity menus." One such posting in a fashionable district in the capital claimed that the price of a meal of soup, beef in chile sauce and dessert had been slashed from 19,000 to 17,000 pesos as part of the campaign. Still, the country's top business association has estimated that more than half of workers earn less than 18,000 pesos a day.

## AMERICAN TOPICS

### Pollution Sickens Sugar Maple Trees

Sugar maples, the dominant tree in the hardwood forests of the northeastern United States, are slowly dying, largely because of pollution, especially from acid rain. The New York Times reports, "They are dying the same way they grew, slowly, their life-spans measured by decades and centuries rather than months or years." Their distress is discernible: stunted growth, bark fungus, leaves that drop too early in the fall.

Most affected are trees at higher elevations, which are most exposed to the acid rain that has been falling since the 1950s.

"We think we are looking at the early stages of an epidemic problem," says Mel Tyree, director of maple research at the University of Vermont. "We project a regionwide decline in the forests within the next 50 to 100 years." A typical patch of sugar maples in the Green Mountains shows a 25 percent decline in average height and width in the last 25 years. Trees that might have lived 400 years are dying at 65 or 70.

Hubert Vogelmann, a botany professor at the University of Vermont, says, "When we told people a few years ago that red

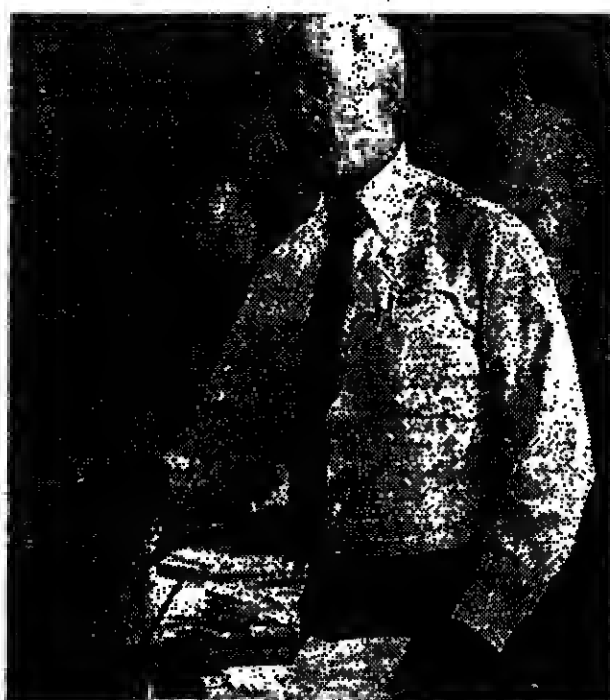
spruce trees were dying, they said, 'Gee, that's too bad.' But when I was quoted as saying sugar maples are dying, I got calls from all over the country." One caller said sugar maples are like bald eagles and apple pie: they're American.

### Short Takes

A Detroit jury deliberated less than two hours before finding Bertram R. Harper, 73, not guilty of second-degree murder in helping his terminally ill wife commit suicide. He admitted pulling a plastic bag over her face after she had taken an overdose of sleeping pills and fallen asleep. Derek Humphry, executive director of the pro-euthanasia Hemlock Society, said the verdict "sends a message to prosecutors that they're not going to get a conviction with this type of offense."

A roller coaster that is said to be the world's fastest made its debut at West Mifflin, Pennsylvania, this month but was shut down two days later because it was too fast. It will get brakes to slow it down. The Steel Phantom at Kennywood Park has a 225-foot (68-meter) drop, billed as the steepest anywhere, and a projected top speed of 80 miles (130 kilometers) per hour. But it was doing at least 81 mph, and some riders complained they were being jerked around too much.

Several companies refuse to hire smokers, even if they never smoke at work. Now several state legislatures are considering bills



FOOTHOLD FOR ABORTION PILL — A New Hampshire state senator, Gordon J. Humphrey, making a point during debate on offering New Hampshire as a testing ground for the French-made abortion pill RU 486. He opposed the proposal, but was in the minority Thursday as it was adopted, 13 to 9.

to protect the right to smoke off the job.

From "Baseball's Greatest Quotations," a new book edited by Paul Dickson: The Philadelphia Phillies' Danny Ozark, asked about team morale, said, "It's not a question of morality." The sportswriter Westbrook Pegler wrote of Lefty Grove, the New York Yankee pitcher, "He could throw a lamb chop past a wolf."

Arthur Higbee

## In Guatemala, First Steps Toward Peace

President's Plan Calls for Return of Those Forced Out by Guerrilla Conflict

By Lee Hockstader  
Washington Post Staff Writer

**GUATEMALA CITY** — After more than three decades of bloodshed and 100,000 violent deaths, Guatemala is taking its first, cautious steps toward ending one of the world's most enduring and tragic guerrilla wars.

The peace effort, begun last month with the first direct negotiations between the government and leftist insurgents, is driven partly by the same factors that have impelled talks aimed at resolving neighboring El Salvador's civil war: the end of the Cold War, the rollback of Communism and flagging support from Moscow and Havana for the rebels.

But an additional factor in Guatemala is an ambitious peace plan conceived by President Jorge Serrano Elias, who took office in Jan-

ary with bona fide conservative credentials that reassured army officers who had previously refused to talk with the rebels.

So far progress has been modest, measured more by smiles than substance. The sides held three days of talks in Mexico and agreed on little more than the agenda, but plan to meet again this month.

According to This Week, a regional newsletter, the generals and colonels on the government's negotiating team addressed the rebel leaders as *comandante*, an honorific that would never have been used in the past. In another departure, Guatemalan television broadcast an interview last week with Pablo Monsanto, leader of the Guerrilla Army of the Poor, one of the country's four rebel factions.

The progress, although slow, is more than Mr. Serrano's predecessor, Marco Vinicio Cerezo Arévalo, was able to accomplish. Indeed, when Mr. Cerezo, a liberal Christian Democrat, approved informal exploratory talks with the rebels in 1987, some elements of the army were outraged. Over the next 18 months, the army staged two coup attempts against Mr. Cerezo, leaving the peace process stillborn.

Mr. Serrano has pledged to deliver a peace that would not only settle the conflict but also provide for the return of tens of thousands of Guatemalan refugees in Mexico who fled the fighting and tens of thousands more who were forced from their highland homes and relocated, often by force, to camps and "model villages" policed by the army inside Guatemala.

So determined is Mr. Serrano to achieve a comprehensive settlement that he has squashed at least

two plans that sought to resolve the plight of the refugees without also making peace with the rebels.

If Mr. Serrano is successful, he will bring an end to one of Latin America's most wrenching conflicts. The guerrillas have waged war against a succession of Guatemalan regimes since the 1950s, when a coup backed by the U.S. Central Intelligence Agency overthrew a leftist government and replaced it with rightist military rule.

By 1983, the guerrillas were decimated as a serious military force, tens of thousands of Guatemalans had fled the country and the military had earned a reputation as the Western hemisphere's most brutal human-rights abuser.

The guerrillas have struggled on, although they were dealt a further blow when the Soviets and Cubans cut off support a year ago.

## De Borchgrave Steps Down as Editor

Washington Post Staff Writer

**WASHINGTON** — An Arnold de Borchgrave, editor in chief of The Washington Times for the last six years, has resigned with a parting shot at the rest of the press, saying that "the arrogance of media power" at times appears "to border on thought control."

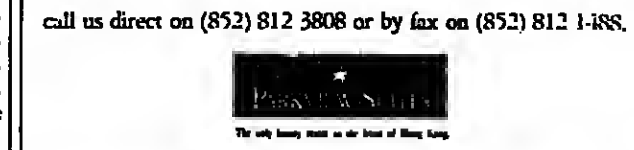
Mr. de Borchgrave, 64, who for 30 years was a foreign correspondent and senior editor at News-

week, said he would travel and then do some writing as the paper's editor-at-large.

The managing editor, Wesley Pruden, 55, will take over the paper's editorial operation. The deputy managing editor, Josette Shiner, 36, a Unification Church member, will be the second-ranking editor. The Washington Times is owned by members and officials of the Unification Church.

## IN HONG KONG, STAY OVERNIGHT IN A LUXURY SUITE FOR THE PRICE OF A HOTEL ROOM.

Parkview Suites. For reservations, call Utell, your travel agent or call us direct on (852) 812 3808 or by fax on (852) 812 1488.



## 3 Deaths Linked to AIDS-Infected Donor

The Associated Press

**RICHMOND, Virginia** — More than 50 transplant patients around the United States received organs or tissues from an AIDS-infected donor six years ago, and three have died of AIDS, health officials said Friday.

An elderly Colorado woman who received a hip joint has tested positive for the AIDS virus, said Doug Wilson, a spokesman for LifeNet Transplantation Services of Virginia Beach, Virginia, which supplied the tissues to 30 hospitals.

No other recipients have tested positive for AIDS, and most are probably not in danger because the tissues they received had been sterilized, Mr. Wilson said.

The donor, a 22-year-old Virginia man, was shot and killed during a robbery. His heart, kidneys, liver and pancreas were transplanted at the Medical College of Virginia Hospitals in Richmond.

Mr. Wilson said officials had not detected the donor's infection until this week because AIDS testing was less sophisticated when the donor died in 1985.

"Certainly we were not negligent," he said. "The science was simply not there. The likelihood of this happening today is slim to zero."

He said the donor had tested negative for the AIDS virus twice before his organs, corneas and vari-

ous tissues were removed. The man may have been so recently infected that his body did not register any signs of the virus, he added.

Using improved testing that has been developed since 1985, LifeNet checked preserved cells from the donor and learned Thursday he had been infected, Mr. Wilson said.

The testing was done because health officials in Colorado reported that the elderly woman had tested positive for the AIDS virus.

All but one of the 30 hospitals that received material for transplants were notified of the AIDS risk by Thursday night, said Jeff Nesbit, a spokesman for the U.S. Food and Drug Administration.

Mr. Wilson said the recipients of the heart and two kidneys died of AIDS. A fourth person, the recipient of the liver, died of complications shortly after surgery that were not related to AIDS, officials said.

Scott Bottenfield, a LifeNet vice president, said officials were still trying to determine what happened to the pancreas but believed it had been used for research.

Mr. Wilson said LifeNet retrieved 52 usable tissue grafts from the donor, including a thigh bone, hip joints, tendons and a knee ligament. Forty-four of the tissue grafts were sterilized using alcohol or radiation and were unlikely to spread the virus.

## Sunken Planes May Solve Bermuda Triangle Puzzle

Compiled by Our Staff From Dispatches

**MIAMI** — The mystery of the "Lost Squadron" that vanished 45 years ago in the Bermuda Triangle may be close to a solution with the recent discovery of five sunken U.S. Navy planes off the Florida coast.

Graham Hawkes of Scientific Search Project, a marine exploration company, was surveying near Port Lauderdale for sunken Spanish galleons when the first of the five TBM Avenger airplanes showed up in about 750 feet (230 meters) of water, 10 miles (15 kilometers) off shore. Using sonar and submersible camera equipment, the salvors discovered the other planes over the course of 24 hours last week, he said.

Next, submersible robots will be sent to the site to determine if the planes are in fact Flight 19, the so-called Lost Squadron, that vanished Dec. 5, 1945, on a training flight from a base in Fort Lauderdale.

No trace of planes or pilots was ever found. Their disappearance helped build the myth of the Bermuda Triangle, an area bounded by Bermuda, Miami and Puerto Rico, where ships and planes were said to mysteriously disappear.

## Military Says Schwarzkopf Meant No Slight to Gays

The Associated Press

**NEW YORK** — General H. Norman Schwarzkopf meant no offense to homosexuals when he used the phrase "military families" to describe officials who never saw combat but criticized the army, a military spokesman said.

The commander of allied operations in the Gulf war "meant what he said and said what he meant," said Lieutenant Commander John Jendro, a spokesman for General Schwarzkopf at the U.S. Central Command headquarters in Tampa, Florida.

"The term 'military families' was not meant as a slight to the gay and lesbian community," Commander Jendro said. "He was referring to those who had not served in Vietnam and who were untested by fire in combat — yet willing to tell the military how to act and react when fired upon."

In a speech Wednesday to West Point cadets, the Gulf war commander, who also served in Vietnam, said, "After Vietnam, we had

a whole cottage industry develop, basically in Washington, D.C., that consisted of a bunch of military families, that had never been shot at in anger, who felt fully qualified to comment on the leadership ability of all the leaders of the United States Army."

"They were not Monday morning quarterbacks," he said. "They were the worst of all possible kinds; they were Friday afternoon quarterbacks." He said such people criticized battlefield leaders "before the game was even played."

## Reporter for Post Loses on Appeal

The Associated Press

**WASHINGTON** — An appellate court ordered a Washington Post reporter Friday to reveal the confidential source of her information about a failed 1986 drug raid.

A three-judge panel of the District of Columbia Court of Appeals upheld a trial judge's order and rejected assertions by the reporter, Linda Wheeler, that she is entitled to protect the confidentiality of her source.

Until further motions are made, the appeals court left intact a stay of Judge Richard A. Levine's order that Ms. Wheeler go to jail for refusing to reveal her source.

**WE BUY YOUR DIAMONDS**

Immediate Cash Payment  
Established in the Diamond Exchange in Antwerp

Free Free to call toll  
323/224.116

**KOREA: Deep Unease on Suicides**

(Continued from page 1)

that the explanations for the suicides are more complicated.

More than ever before, the student movement is adrift, trapped by a Marxist ideology that is out of step with world events and by an inability to hold the attention of the middle class, of many laborers and even of most students themselves.

As their numbers have dwindled, the most radical of the students have seized on every issue that has come their way: inflation, pressure from American "imperialists" for open markets, the continued imprisonment of more than 1,200 dissidents, government corruption.

The young people who have set themselves on fire fit no neat categories. Some come from solid homes, some from broken ones. Some seem like committed radicals and others appear to have been on

**BAUME & MERCIER**  
GENEVE  
MAÎTRES HORLOGERS DEPUIS 1830

**SHOGUN**

Baume & Mercier SHOGUN exemplifies the union of contemporary design and traditional craftsmanship. Uniquely fashioned in satin-finished stainless steel, enhanced with 18 karat gold, SHOGUN echoes the image of its bold and adventurous namesake. Dedicated to the confident pace setter, SHOGUN by Baume & Mercier assures its wearer of the confidence of perfection.

**BEYOND PERFECTION.**

For further information, please call: Baume & Mercier, Geneva (41/22/309.14.14) or write to: Rue des Caroubiers 25, CH-1227 Carouge/Geneva.



# Taking On the Communists in Calcutta

## Congress Party Candidate Is in Tight Fight in Her Opponent's Stronghold

By Barbara Crossette  
New York Times Service

CALCUTTA — Mamata Banerjee is riding around south Calcutta in a small car stuffed with campaign workers looking for her election rally.

Ignoring her loyal but inexperienced staff, she flags down willing bystanders to ask directions. The mercury is close to 100 degrees Fahrenheit (38 degrees centigrade).

By the time the sun has begun to sink, the small caravan led by this energetic Congress Party candidate is picking and yawning up a ruddy beat along lined with the red banners of her Communist rival.

"Where do they get all this money?" she asked rhetorically. The Communists are in power in the state of West Bengal, and Ms. Banerjee accuses them of using government funds for party expenses.

Ms. Banerjee, 32, symbolizes for many the future of India's oldest party in this teeming, crumbling city. A street-smart dynamo with an eighth-grade education, she lives in a two-room bamboo house in Kalighat, Mother Teresa's neighborhood, near a building materials depot and her late father's bakery.

She takes on the Communists where their power is all but complete: on the streets. In a demonstration last August, she was severely beaten by leftist thugs. Her popularity soared.

Ms. Banerjee was first elected to Parliament in 1984 at the age of 26, and lost her seat in 1989, in a tight fight this year. Calcutta political reporters expect violence and say every party is armed.

On Monday, West Bengal will hold elections

not only for members of the national Parliament but also for a state assembly. For the Communist Party of India-Marxist, the larger of two major Communist organizations in national politics, these votes are crucial tests of the party's viability.

Nationally, the party and its leader in West Bengal, Jyoti Basu, have lent important support to the National Front coalition of V. P. Singh, which toppled Rajiv Gandhi's government in 1989. The Communists are hoping to increase their national leverage by winning more seats this year.

At state level, Mr. Basu's job and political platform as chief minister of West Bengal are at

### Mamata Banerjee campaigns against the Communists where their power is all but complete: on the streets.

stake. After 14 years in office, the Left Front government, led by the Communist Party-Marxist, is coming under growing criticism for failing to provide such basic services as steady electricity, working telephones and decent schools and roads and for an apparently increasing tendency to behave in an authoritarian manner at the local level, stifling dissent with violence and confiscating property.

"Business has to support them because if it doesn't, all factories will be closed by strikes," a local journalist said, adding that the left domi-

nated nearly all the powerful unions in the city. "When the Communists are in power, they keep them under control," he said.

The Communists in West Bengal are very well organized for this election campaign. So is the rightist, pro-Hindu Bharatiya Janata Party, a new entrant in the contest here, and still an unknown quantity.

The same cannot be said for the Congress Party, which lacks strong organization and suffered from repeated shufflings by Mr. Gandhi, far away in New Delhi.

A few months ago, A. B. A. Ghani Khan Choudhury, Congress Party leader in West Bengal, was abruptly replaced by Siddharth Shankar Ray, a former West Bengal chief minister who is remembered for a brutal campaign against leftists in the 1970s. His arrival gave the Communists an issue and upset local Congress Party workers.

Ms. Banerjee, against her own wishes, was asked to run in a constituency where the Communists have fielded an internationally known intellectual, Biplob Dasgupta. Many say they believe that if this decision was not intended to tap her populist appeal, it was probably a move to humiliate her.

On the back streets of Calcutta, Ms. Banerjee will not comment on her relations with party leaders. "I just work for the people," she said. She said that India was still a very tough place for women in politics. She takes her inspiration from the Bengali guru Ramakrishna, because he taught independence of mind. Friends? Pastimes? She laughs.

"Minus politics in my life, there is nothing," she said.



The Arab accused in the attack being escorted Friday from a Jerusalem hospital. He was beaten by bystanders before the attack.

## Arab Wounds 3 Jews in Jerusalem Knife Attack

Compiled by Our Staff From Dispatches

JERUSALEM — A Palestinian stabbed and wounded three Jews on Friday, and Prime Minister Yitzhak Shamir said he was sorry the attacker had been captured alive.

"This is very grave, this criminal act which took place in the central streets of Jerusalem again," Mr. Shamir said in a radio interview. "To my regret the perpetrator was

taken alive, and this hurts me very much."

A man from Arab East Jerusalem shouting "Allah Akbar!" ("God is Great!") stabbed three people in central West Jerusalem. The area was filled with shoppers ahead of a long Jewish holiday weekend.

Passers-by beat and kicked the 21-year-old assailant, who was taken to hospital, the police said. He

had stabbed two men and a woman on Prophets Street, wounding them lightly.

It was the sixth Arab stabbing attack in Israel this year. Six Israelis were killed and six wounded. Three Palestinians have been charged.

The wave of stabbings began in October after policemen dispersing rioters shot and killed 17 Palestinians on Temple Mount.

"We have to fight this and it means so these attacks will be stopped," Mr. Shamir said. "It is not a problem which has a solution. It is a matter of common sense and caution."

The attacker was not identified. The police, fearing repeat stabbings, reinforced some of the most crowded neighborhoods where militants have attacked Arab Jews in the past. (Reuters/AP)

## Bangladesh Soldiers Fight Newest Disaster: Floods

Compiled by Our Staff From Dispatches

GOLAPGANJ, Bangladesh — Soldiers fought to ferry thousands of marooned villagers away from floods in northeastern Bangladesh on Friday.

The floods, caused by rain-swollen rivers, have swamped a major highway connecting the capital, Dhaka, with the northeastern district of Sylhet and have submerged fields of crops. At least 250 people have died in the flooding.

"Soldiers using mechanized rafts have started rescuing the marooned villagers to safer places," an official said. "But we need more comprehensive efforts to move them quickly."

Local officials said that at least 300,000 were marooned in a single subdistrict and that the situation was deteriorating, with heavy rains pounding Sylhet, Moulvibazar and Sunamganj.

More than a million people have been left homeless and about 2 million have lost crops and property since floods struck more than a week ago.

The government said it planned to ask the U.S. military task force in Bangladesh helping survivors of the recent cyclone to join in relief efforts in the flood-stricken north-central area.

About 7,000 U.S. Marines were diverted this week from the Gulf to help carry food, drinking water and medicine to the 10 million people displaced by the cyclone on April 30. More than 138,000 people were killed by the storm.

The Bangladesh and U.S. governments are expected to sign an agreement defining the duration and extent of the U.S. military relief operations, under way since Sunday. (Reuters, AP)

## Bush Says He's Optimistic On Mideast Peace Talks

By Ann Devroy  
Washington Post Service

WASHINGTON — President George Bush said Friday that he saw "real cause for optimism" on prospects for a Middle East peace conference and pledged the administration would "just keep plugging away" despite what appeared to be a lack of major progress.

He said his assessment was that "there is real cause for optimism and we will continue to work this process," after a meeting with Secretary of State James A. Baker 3d, who returned Thursday night from his fourth trip to the Middle East since the end of the Gulf war.

The president held firm to his contention that no details of any proposals or new moves to get Israel, Arab states and Palestinians to a conference would be discussed.

"A lot of these things have to be quiet when you're talking about diplomacy," he said. "The way to solve this conundrum is not to get these parties positioned by public statements."

Mr. Baker said that many problems remained in resolving key differences that are blocking the original U.S. effort to organize a peace conference covering major Middle East issues.

The president said such peace negotiating could only succeed if much of it went on in private and hinted that, despite widespread impressions the Baker missions had been a failure, there might be much the public did not know.

Asked whether the so-called "window of opportunity" Washington claims to have seen in the Middle East had closed, Mr. Bush replied: "I don't think so. I think the credibility of the United States is higher in the Middle East than it has ever been. I think it's still there."

Although Mr. Baker has encountered many problems in his efforts to broker a peace conference, the two most serious obstacles appear to have been disagreement over any role for the United Nations and over the nature of the conference itself.

## Gulf Blueprint: Arabs Have 2d Thoughts

International Herald Tribune

PARIS — Kuwait and Saudi Arabia are apparently having second thoughts about commitments made in the heat of the crisis with Iraq, causing parts of the broad U.S. approach to Gulf security to start to unravel, according to Western and Arab officials.

The worst setback so far was the decision last week by Egypt to bring home its forces after Cairo became convinced that neither Saudi Arabia nor Kuwait would pay for these Arab troops to stay in the Gulf semi-permanently as part of a plan to underpin regional security.

This Bush administration blueprint for the Gulf called for extensive spending by regional states on troops and weapons from Egypt. This understanding — described by a U.S. diplomat as "less than explicit but more than tacit" — was a major factor in Cairo's decision to reject Iraqi blandishments seeking Egyptian neutrality and to join the U.S.-led wartime coalition.

In the Bush administration's thinking, this postwar Egyptian role would help bolster Saudi and Kuwaiti military and civilian law forces in the Gulf states. The armed forces would provide an Arab line of defense that could be backed up

by U.S. military power, but that would be strong enough to do without a highly visible Western presence on the ground.

Besides providing ground forces, moderate Egypt would provide politically acceptable professional people to replace Palestinians and Yemenis no longer welcome in the conservative Gulf kingdoms.

An attraction of this arrangement was that it would help counter charges, propagated with success throughout the Arab world by Iraq, that Gulf states were squandering oil wealth that was desperately needed by poorer and more populous Arab nations.

When the Bush administration tried to carry out this plan, however, Kuwait and Saudi Arabia balked. Leaders in both countries, according to Arab officials, increasingly felt, now that Iraq's military strength has been severely reduced, that they can dispense with costly dependence on Egypt.

Leaders in both Gulf states apparently worried that the price of Egyptian mercenaries would be an open-ended, increasingly expensive commitment, the officials said.

One of them added that "the Kuwaitis and many ultra-conservative Saudis see even Egyptians as

potentially destabilizing if they become a semipermanent feature of these unchanging Gulf societies."

Saudi Arabia and Kuwait still have plans to provide nearly \$10 billion in aid to Egypt and Syria. But instead of going to the governments in these countries, which need funds to help pay off international debt, the money is being earmarked for private enterprise, with no help for modernizing Egypt's big and inefficient state-owned sector.

Although ignoring Egypt, Saudi Arabia and Kuwait seem ready to speed money on buying high-tech U.S. weapons. A U.S. official said they apparently were calculating that buying a U.S.-made arsenal would also buy strong military guarantees in Washington for Saudi Arabia and Kuwait.

"This is old Saudi thinking," the official said, "which is liable to leave the Gulf vulnerable to the kind of feuds that helped create the climate in which Iraq thought that it could get away with an attack."

Governments in Europe are dismayed to see Kuwait and Saudi Arabia reject what the Western allies regard as a sensible formula for Egyptian cooperation with the Arab states in the Gulf.

In analyzing what many of them see as a puzzling lack of U.S. effectiveness in imposing its wishes, some European officials noted that the Bush administration might be quietly favoring this strategy among conservative Arab states to rely on Washington and ignore potential allies in the region.

For years, U.S. administrations have sought to involve Egypt in a major way on the Arab side of the Gulf, as a counterweight to Iranian power there. That policy was derailed at the start of the 1980s when Arab nations boycotted Egypt because of its peace agreement with Israel.

The U.S. goal seemed, within reach when the Iraqi threat loomed the Arab states in the Gulf to swallow their objections to Egypt.

While European governments are reluctant to publicly criticize the stance of Kuwait and Saudi Arabia, many European officials are privately recommending that Washington exert stronger political pressure on its Arab allies.

The Bush administration, some European policymakers suggested, may be focusing so much of its energies on the Arab-Israeli deadlock that it risks missing the moment to involve Egypt in a major way on the Arab side of the Gulf. —JOSEPH FITCHETT

## RELIGIOUS SERVICES

**DUSSELDORF**  
CHRIST CHURCH (Anglican) S.S. and Services 11:00. All Denominations are welcome. Rotterdam Str. 135. Tel. 0211/452739.

**HOLLAND**  
UNITARIAN-UNIVERSALISTS, warmly welcome you to monthly English language services, 4th Sunday 11:00 a.m., Rotterdam 6, Leiden. Tel. 020/46-1962 or 071-121035 evenings.

**TURIN, ITALY**  
THE ENGLISH-SPEAKING CHURCH, 23 Corso Vittorio Emanuele, 14 blocks east of Porta Nuova 88 St. Sunday worship 9:30 a.m. Tel. (011) 4502601.

**LUXEMBOURG**  
CHRISTIAN COMMUNITY CHURCH, 10 rue de la Liberté, Luxembourg. Sunday worship 10:30 a.m. Tel. 36.95.83.

**MADRID**  
COMMUNITY CHURCH OF MADRID, English speaking. Sunday worship 11:00 a.m. 11 a.m. Sunday. Nursery. Meeting at Padre Damian, 34, Pastore. Tel. 446-36 07.

**MUNICH**  
INTERNATIONAL COMMUNITY CHURCH, Evangelical Bible Believing, services in English 4:30 p.m. Sundays at Eichenstr. 10. (12 Theresienstr.). (089) 850-8017.

**PARIS AND SUBURBS**  
THE AMERICAN CATHEDRAL (Episcopal-Anglican), Sun. 9 & 11 a.m. Sunday School. Children and nursery care at 11 a.m. 23 Ave. George V, Paris 8. Tel. 47 20 17 92. Pastor: George V or Alma-Marceau.

**HOPE INTERNATIONAL CHURCH** (Pentecostal), 9 Rue L. Nolot, Sunday Bible St. (all ages) 10:30 a.m. and 7:30 p.m. Tel. 93.25.51 or 93.25.31.

**EUROPEAN BAPTIST CONVENTION**  
TRINITY BAPTIST CHURCH, 58, Voulgarens Ave. An international church with services in English. Bible study at 9:45, worship at 11:00 a.m. Sunday. Location on main avenue south west side of airport, across street from Water Tower. For Charles Brodhead, Pastor, Tel. 895-0162.

**BERLIN**  
BERLIN BAPTIST CHURCH, Rastenburgstr. 13, 1000 Berlin 47. SS 10:45, W 12:00 & 19:00. Tel. 030/7744070.

**COPENHAGEN**  
INTERNATIONAL BAPTIST CHURCH, Blegvadsgade 7 in Nørrebro near downtown. Worship 9 a.m. Sundays (April-September) & 1 p.m. (October-November). Tel. 31 38 51 38.

**DUSSELDORF**  
INTERNATIONAL BAPTIST CHURCH, English, 10:00, worship 11:00 a.m. Sunday. Church and nursery. Meet at the International School, Leuchtenburger Ringweg 2, D-40150 Düsseldorf. Friendly fellowship. All denominations welcome. Dr. W.J. Deloy, Pastor. Tel. 0211/400157.

**HAMBURG**  
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TAFEL FRIEDLAND, Am Heide 19, Hamburg-Ohlsdorf. Bible Study at 11:30 & Worship at 12:30. Tel. 040/620616.

**BONN/KÖLN**  
THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheingasse 9, 5300 Bonn. Tel. (0223) 47021.

**FRANKFURT**  
INTERNATIONAL CHRISTIAN FELLOWSHIP of the Taurus (Member European Baptist Convention), Sothenstr. 1-11, 60580 Frankfurt. Sunday 11:00 a.m. Tel. 06171-44889 or 06134-23278.

**HOLLAND**  
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, women fellowship, Meet at Bloemendaalweg 24 in Wassenaar. Tel. 01751-78024.

## U.S. to Send Armored Brigade To Help as Kuwait Regroups

Compiled by Our Staff From Dispatches

WASHINGTON — A brigade of 3,700 U.S. armored troops will be moved from Germany to Kuwait until September while the emirate regroups its own military after the Gulf war, the Defense Department said Friday.

"We have agreed as a temporary measure to leave forces there for now," Defense Secretary Dick Cheney said in a brief statement issued by the Pentagon.

President George Bush, in a separate report to Congress, said thousands of U.S. troops needed to remain in northern Iraq for now to aid and protect the Kurdish minority from President Saddam Hussein's forces.

Both Mr. Bush and Mr. Cheney said anew that the U.S. government wanted to bring U.S. soldiers home from the Gulf as quickly as possible and had no intention of keeping a permanent postwar ground force in the area.

Mr. Bush said Mr. Hussein's "brutal repression of internal opposition" had made it necessary to keep U.S. troops in northern Iraq, at least until the United Nations assumes full responsibility for the relief effort.

Mr. Bush said he was reporting to Congress under terms of a congressional resolution in January that gave him authority to use force to drive Iraq from Kuwait.

The resolution requires him to make a report every 60 days.

Mr. Cheney's statement said troops from the 11th Armored Cavalry Regiment based in Fulda, Germany, would be in Kuwait by mid-June to replace American troops being withdrawn from there. They will remain until Sept. 1, the Pentagon said.

Mr. Cheney said on a recent trip to the Gulf that Kuwaiti leaders had asked that American troops be

left in the country temporarily.

The Pentagon said the deployment recognized the need for a continued U.S. military presence in Kuwait "given the current situation in the Gulf and the need for the government of Kuwait to reconstitute its own forces."

Mr. Cheney stressed that the troop move to replace U.S. Marines and members of the 3d Armored Division was only temporary.

"It is our objective to get U.S. forces out as quickly as possible," he said.

"The president has made it clear that we don't want a permanent ground presence in the Gulf."

The cavalry troops are expected to be the last U.S. ground forces to leave the Gulf in September.

More than 430,000 of the 540,000 U.S. soldiers, sailors and

airmen sent to the Gulf for the war have been withdrawn and most of the remainder will be out by the end of June.

In a recent four-day visit to the Gulf, Mr. Cheney talked with the leaders of Saudi Arabia, Oman, Qatar, Bahrain, Kuwait and the United Arab Emirates on future security.

He said leaders of the moderate Arab states agreed with a U.S. plan to station more naval forces in the Gulf, to store American weaponry there, to deploy U.S. fighter jets on a regular basis and conduct joint military exercises with Gulf states.

But Mr. Cheney refused to say whether any of the countries had agreed formally to accept storage of weapons or give temporary basing rights for U.S. aircraft on man-covers. (Reuters, AP)

## KURDS: Key Points of Plan Are Settled, Rebel Says

(Continued from page 1)

northern Iraq for Kurdish refugees. About 2 million Kurds have been displaced. More than a million went to Iran and the rest either stayed in the buffer created by the allies or went to camps in Turkey.

Refugees began streaming back into northern Iraq after the heavens were stabilized.

Mr. Barzani urged those still outside Iraq "to come back to Kurdistan at least, and then, when we have an agreement, all the problems will be solved."

Another of Iraq's victims was also given more reason for hope Friday as Baghdad showed the United Nations a treasure trove of gold, works of art and books plundered from Kuwait and promised to give it back.

John Foran, United Nations assistant secretary-general for general services, said he would go to Kuwait on Monday to discuss how to return treasures that Iraq seized after its troops overran the emirate.

Mr. Foran, who is helping in the

handover, said he had given priority to the return of \$930 million in gold plus bank notes and coins, museum objects and 140,000 literary books, as well as civilian aircraft, six of which are in Iran.

Iraq undertook to abide by Security Council Resolution 686 and return Kuwaiti property after the U.S.-led allies drove its forces out of Kuwait.

"We've seen the museum pieces," Mr. Foran said. "They are in good shape, professionally maintained, and being well looked after in the national museum."

Iraq and Kuwait differed in their tally of bank notes, probably because Baghdad used some of them during its occupation, Mr. Foran said.

The Kuwaiti government has said the handover should take place in the Saudi town of Ar'ar, where prisoners of war were exchanged after the Gulf conflict. Mr. Foran did not say whether Iraq had agreed to the venue. But he said Baghdad had all priority items ex-

cept the civilian planes ready for shipment.

Iraq seized 15 Kuwaiti civilian aircraft as well as spare parts, including three large aircraft engines. One plane that was in Jordan was returned to Kuwait last week. A second aircraft is in Baghdad.

Iraq has said seven Kuwaiti planes were destroyed during allied air raids on the northern city of Mosul. Mr. Foran said they might only have been damaged.

Iraqi forces stripped Kuwait, once the world's richest state along with Brunei, of virtually all its movable assets during the occupation.

Food, household goods and electrical items from the emirate are still on sale in Baghdad markets. The city's transport authority is still using air-conditioned Kuwait buses.

Mr. Foran said the return of other property would take place after the priority items had been handed over. It was too soon to estimate how long the whole process would take. (AP, Reuters)

## SOVIETS: Billions Are Needed

(Continued from page 1)

Germany, traditionally a heavy lender to the Soviet Union, is already burdened by the need to invest in Eastern Germany. And major lenders are pessimistic about Soviet prospects.

"The best we can hope for is that it is not a complete catastrophe," Norbert Walter, a senior economist at Deutsche Bank, said recently.

The International Monetary Fund and the World Bank say that leading money to the Soviet Union now is tantamount to pouring water in the sand, and they have urged industrialized nations to wait until the Soviet Union moves more decisively toward economic change.

A senior IMF official from Europe said: "No country in the world is ready to put money in a rotten structure. Reform is a must."

And a senior U.S. Treasury official said: "The question is will the money stick. What is the return on the investment?"

The CIA and the Defense Intelligence Agency estimated in a report that accompanied congressional testimony on Thursday that the Soviets had lined up commitments of \$14 billion in government loans from non-Communist countries, including \$1 billion in commodity credit guarantees pledged by the United States in December.

One-third of the aid will come from Arab states and South Korea, the agencies said. But that might be less than Moscow needs.

The credit squeeze is coming against the background of what the CIA's chief Soviet analyst said Thursday was a rapidly worsening Soviet economic outlook.

## SUMMIT: Reluctance on Moscow

(Continued from page 1)

head of the State Foreign Economic Commission.

(The government had previously favored a gradual approach to convertibility by 1995 or 1996, to come at the end of a series of market changes, he said in an interview.

Prime Minister Valentin S. Pavlov's cabinet has now agreed in principle to a swift changeover, Mr. Ivanov said.)

Acknowledging that Mr. Gorbachev's initiative might improve the outlook for strong, painful Soviet remedies to win political acceptance, most Western officials stressed the pitfalls of any outside bid to save the Soviet economy.

"No matter how much they like Mr. Gorbachev, Western governments are going to be deeply skeptical about the wisdom of providing large sums at this stage," a European official said.

"Before any Western government considered taking the risk of pouring money into the Soviet economy," a Western official said, "it would want to have long, searching bilateral discussion with the Gorbachev government and other groups about their intentions and commitments."

Almost certainly, he said, the United States and allied governments would insist that Soviet military production be cut more deeply and more quickly as part of any economic recovery plan. That point apparently did not figure in Mr. Gorbachev's letter.

Although not excluding the idea that the G-7 summit meeting to

pled his case, officials said that the session was unlikely to come up with concrete assistance, with the possible exception of food aid.

The United States, Britain and Japan have all reached pessimistic conclusions about the outlook for the Soviet economy.

In the long run, Germany may be inclined to respond to Soviet pleas for help in exchange for political concessions, a U.S. official said, and this could eventually become a point of friction if Washington adheres to its strict approach to Soviet aid.

For now, however, the Bonn government seems to be acutely conscious of its own financial limitations. Recently, it has hinted that continued aid to Moscow hinges on faster withdrawal of Soviet troops from Eastern Germany.

Even Mr. Gorbachev's "offer to make his country a ward of the IMF, like a Third World government, is not likely to make Western leaders lunge for their wallets," one official said.

Experts of the monetary fund and other international economic bodies might view more aid at this stage as an obstacle to the development of a free-market economy.

**Taiwan Drops Sedition Laws**  
The Associated Press

TAIPEI — Taiwan's parliament voted unanimously Friday to repeal sedition laws that critics say allowed the governing Nationalist Party to suppress political dissent for 42 years.

## Iraqis Sentence Briton to Life In Prison as Spy

Reuters



ADVERTISEMENT

ADVERTISEMENT

# An Art Lover's Guide To SAINT-GERMAIN DES BEAUX-ARTS

The entire spectrum of the arts can be discovered by just taking a walk through the Saint Germain area of Paris, home of the prestigious Ecole des Beaux-Arts and over 100 fine art and antique galleries.



Saint-Germain  
des Beaux-Arts

Dealers will display  
their dream objects

The Galerie Montbrison (2, rue des Beaux Arts), specialists in primitive art, is showing some of their new acquisitions, while next door, Galerie Trigano (4 bis, rue des Beaux Arts) takes you up to the present with large canvases by the contemporary Polish artist Kijno.

The Galerie Di Meo (5-9 rue des Beaux Arts) is showing works by Piero Gilardi, an Italian artist obsessed with making art that is relevant to life. In the 1960s, he created "Machines for the Future" with "human" functions such as making babies or giving speeches. The current show features his colorful "Tapis-Nature," high-relief trompe-l'oeil still lifes in expanded polystyrene.

The Galerie Claude Bernard (5-9 rue des Beaux Arts) has become known as one of the most "classic" galleries on the Left Bank, with its shows of such well-known artists as Léger, Giacometti, César, Balthus, Bacon, Wyeth, Hockney, Nevelson, Dine and many others. For Saint-Germain des Beaux-Arts they are showing 90 gouache drawings and watercolors by Bonnard.

A special treat is in store for both art and book lovers at Galerie Flak (8, rue des Beaux Arts), which will display 20 books by Iliad, a Russian who came to Paris in the early '20s. Iliad considered the making of each of his limited-edition books a "ceremony." They were illustrated by the great artists of the day, including Picasso, Braque, Giacometti, Miró, Chagall, Léger and Matisse, and attention was paid to every detail, including the typography, paper, binding and even the parchment wrapping the books were stored in. This is a rare chance to see these masterpieces outside of a museum.

Next door, the brand-new Galerie Huit makes its debut with an exhibition of works by Swiss painter Rolf Knie, who ran away from his family's circus eight years ago to concentrate on painting. A special vernissage with circus-inspired décor will be held at the Salle Gustave Eiffel in the Eiffel Tower on May 24 to celebrate the

opening of the gallery and the show. Invitations are available at the gallery.

The title of the Galerie Damien's (5, rue Bonaparte) exhibition is a French play on words: "Des Corps pour Décors" (Decoration for the Body). The show revisits the music hall era of the '20s and '30s with drawings by Withop, Ranson, Zig and Zamora, painters who shared Eric's view of costume design as an art. Even the most outrageous designers of today haven't topped the fantasy and humor of these imaginative artists.

Galerie Robert Four (25, rue Bonaparte), specialists in carpets and Aubusson tapestries, will be showing some of the most beautiful pieces from their collection for the occasion. A cocktail party will be held in the gallery on Thursday evening.

Gilles Cohen, owner of the Galerie à la Reine Margot (7, quai de Conti), has chosen as his "obscure object of desire" a second-century A.D. Roman copy in marble of a torso by the Greek sculptor Praxiteles. Usually evasive about the sources of his finds, the antiquities dealer will also reveal how he acquired the desired object. You may find it hard to leave Cohen's museum-like gallery, full of fascinating treasures ranging from ancient kohl flacons to an Egyptian statue of a cat.

Very much in tune with the times, the Galerie Pochade (11, rue Guénégaud) will feature paintings inspired by the Gulf war by Gianni Bertini, who recounts a "savage battle between the canvas and myself... there were no casualties." Owner Philippe Fravelles, an organizer who organized the private concert for Saint-Germain des Beaux-Arts, will exhibit as his obscure object of desire an "ondoline," a rare small piano invented in the 1930s that eerily imitates the sound of the cello.

heim, Lewitt and others are on show.

"Le Bateau Ivre" (The Drunken Boat) is the title of the exhibition at Sparts Gallery (40, rue Mazarine), from the poem of the same name by Rimbaud, the inspiration for these

The Gulf war has  
inspired one artist

new, symbolism-filled works by R.V. Miloux. Miloux is one of the discoverers of Sparts, which, according to owner Laurent Deschamps, is dedicated to cultivating and bringing together young artists and young collectors who might not be able to afford the works of better-known artists.

The Galerie Jonas (12, rue de Seine) steps back a century with realist paintings from the 19th century. Included in the exhibition are works by Félix Ziem, Gustave Doré, Emile Louis, Louis H. Carrand, Hippolyte Lebas, F.A. Ravier, Thomas Couture, François Bonvin and Paul Guignou.

The Galerie Erval (16, rue de Seine) presents a group exhibition of the works of six artists, Jean Clerte, Dorny, Morris Gontard, Daniel Humair, J.F. Koenig and France Mitrofanoff.

Known as the "father of graffiti art," California artist Raymond Saunders follows in the tradition of Robert Rauschenberg with his expressive collages incorporating the detritus of modern life, painting, scribbles and stenciled numbers. His provocative, colorful works, on display at Galerie Resche (20, rue de Seine), bring many worlds together on one canvas.

Art Deco lovers: hasten to the Galerie l'Arc en Seine (31, rue de Seine), which is showing furnishings by Pierre Chateau, best known for his "Maison de Verre," a glass house in Paris's sixth arrondissement. On display are his Cubist-influenced lamp with six alabaster "petals" serving as a shade, three handsome couches, metal and alabaster end tables, metal bar stools and more.

At Vallois (41, rue de Seine), Art Deco also takes center stage, with an exhibition featuring furniture first seen at the famous 1925 exposition in Paris, where Art Deco made its

first big splash. Included are works by Sée, Marc, Ruhlmann, Groult, Iribé and Rateau.

"Paris in Black and White and Color" is the theme of the show at Galerie Grillon (44, rue de Seine). Lithographs, engravings and woodcuts by nine important artists, including Czechoslovakian Frantisek Simon, Manuel Robbe, Félix Buhot and August Brouet, show Paris and Parisians as they were at the end of the 19th and beginning of the 20th century.

Man of the theater (set designer, director, actor) turned painter Bernard Xenakis shows his work at Galerie Alain Letailleur (50, rue de Seine). The theater has left its mark on his paintings, which are often inspired by Greek mythology.

The exhibition at Ga-

lerie Sylvie Resche (53, rue de Seine), entitled "Figures and Other Silhouettes," will include such gems as a lovely 19th-century portrait of a woman by Hippolyte-Jean Flan-drin and a view of Paris's Avenue de l'Opéra at the turn of the century by Victor Gilbert.

Galerie Melki (55-57, rue de Seine), specialists in European abstract art of the 1950s, is showing works by some of its stable of well-known artists, which includes Soulages, Dubuffet, Poliakoff and Lansky.

Heidi Ellison

Heidi Ellison, a Paris-based journalist, writes on art and culture for Elle, Elle Decor and other publications.

1. A. MELKI, GALERIE MELKI.
2. P. ROSSO, GALERIE FLAK.
3. R. SAUNDERS, GALERIE J.F. RESCHE.

Everything from antiquities and classic painters to modern furniture and the most avant-garde and unclassifiable of artists can be found in this traditional center of the arts in Paris.

One of the best times to conduct this tour is during the biannual event organized by Saint-Germain des Beaux-Arts, an association of 62 galleries. On May 23 at 6:30 P.M., they will open their doors to the public for simultaneous vernissages.

This year, in addition to the ongoing theme "Discoveries-Rediscoveries," the organization has added another: "That Obscure Object of Desire." Gallery owners have been asked to display the object of their dreams and explain how they managed to acquire it.

This has led to some interesting interpretations.

## GALERIE ERVAL Drawings

Alechinsky - Arnal  
Atlan - Cardenas  
Charcioune - Debré  
Dodeigne - Fautrier  
Gillott - R.E. Gillet  
Hartung - Jom  
J.F. Koenig Marfaing  
Maryan - Hebeysrolle  
Reichel - Schneider

May 23 - June 22, 1991

16, rue de Seine,  
75006 Paris  
Tel.: 43 54 73 49 Fax: 43 25 68 72

## GALERIE TRIFF

KILIMS  
and sculptures by  
Vincent BATBEDAT  
May 23 to June 22, 1991  
35 rue Jacob, 75006 Paris  
Tel.: 42 60 22 60 - Fax: 42 60 29 94

## Galerie la Pochade

11, rue Guénégaud 75006 Paris - Tél.: (1) 43 54 89 03 - Fax: (1) 43 29 75 11

## BERTINI

"Pour ne pas oublier"

23 may - 29 June

## GALERIE SYLVIE RESCHE

19th & 20th Century Paintings  
Tél.: (1) 43 26 93 48 53, rue de Seine  
Fax: (1) 43 26 90 04 75006 Paris

## ROLF KNIE

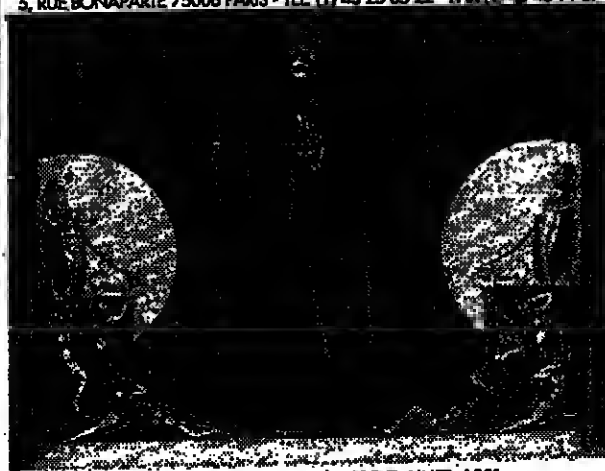
Cocktail le 24 mai à la Tour Eiffel

du 20 mai au 16 juin

Galerie 8 - 8, rue des Beaux Arts 75006 Paris - Tél. 43 25 99 01

## GALERIE DAMIEN

5, RUE BONAPARTE 75006 PARIS - TEL. (1) 43 25 05 22 - FAX (1) 40 46 91 57



DES CORPS POUR DÉCORS  
Original Music Hall Drawings 1920-1930  
23 MAY - 31 JULY 1991

## ALAIN de MONBRISON

PRIMITIVE ART - ANTIQUITIES

Member of the French Association  
of Professional Art Experts

2, RUE DES BEAUX-ARTS, 75006 PARIS  
TEL.: 46 34 05 20 - FAX: 46 34 07 25

## PARIS

In Black & In Color  
Late 19th & early 20th Century  
Prints-Engravings-Wood Cuts

from 23 May to 15 June, 1991

GALERIE GRILLON

44, rue de Seine  
75006 Paris  
Tel.: 46 33 03 44 - Fax: 46 33 93 81

## GALERIE k

Boris ZABOROV

MAY 23  
JUNE 29, 1991

19, RUE GUENEGAUD  
75006 PARIS  
TEL.: (1) 43 26 15 41  
FAX: (1) 43 29 41 48

## GALERIE JONAS

19th Century Paintings

12, rue de Seine,  
75006 Paris  
Tel.: 43 26 50 28

## L'ARC en Seine ART DECO / 1930



Pierre Chateau

May 23 - June 22, 1991

31, rue de Seine 75006 Paris  
Tél.: (1) 43 29 11 02 - Fax: (1) 43 29 97 66



# CANNES FILM FESTIVAL

## Way Out Front: 'Jungle Fever'

### Spike Lee Is Serious, And Vastly Entertaining

By Vincent Canby  
New York Times Service

CANNES — For the first time since it began May 10, the 44th Cannes International Film Festival has one clearly popular favorite for the Palme d'Or, the festival's top prize. It is Spike Lee's "Jungle Fever," which was shown in the presence of Lee; two of his stars, Wesley Snipes and Anthony Quinn; and Stevie Wonder, who composed the film's original music and title song.

The awards will be announced at the closing ceremonies Monday.

There are no indications yet of how the jury might vote. Roman Polanski, the jury president, is known to take a dim view of the sort of arid, ambiguous studies of boredom and alienation that have dominated the festival. There are nine other jury members, but with so little information available, Polanski's preferences carry weight with those who would bet on the outcome.

There is also the fact that Lee's comedy-drama is a seriously conceived and executed movie that is vastly entertaining. It is the work of a young man who not only has an astonishing command of his craft but who is also in intimate connection with the world in which he lives.

"Jungle Fever" is most easily described as an interracial love story, though that does not tell the half of it. The film is a vividly realized panorama of New York City urban life, as filled with character and

incident as the director's earlier "Do the Right Thing." There was some stir at the 1989 Cannes festival when "Do the Right Thing" received no awards. Should the new film take the best picture or best-director award, no one will be able to say that the jury was attempting to make up for the earlier slight. "Jungle Fever" will deserve any recognition it receives.

Lee dedicates "Jungle Fever" to Yusuf K. Hawkins, the young black man who was killed two years ago during a racial confrontation in the Bensonhurst section of Brooklyn. Though the film has nothing to do with the particulars of Hawkins' death, it is an examination of the kind of prejudice that makes possible such violence.

The film's principal characters are either blacks from Harlem or whites from Bensonhurst. At the center are a successful young black architect (Wesley Snipes), who is happily married, and the pretty, strong-minded white secretary (Annabella Sciorra), with whom he begins a casual affair. The focus of the film is so broad, however, that it also encompasses the various members of both of their families and their friends.

They include white and black neighborhood toughs, crack addicts, a fundamentalist preacher, the architect's upscale black wife who is a Bloomingdale's buyer, and various Bensonhurst characters. The large, exceptionally fine supporting cast is headed by Ossie Davis, Ruby Dee, Anthony Quinn, John Turturro and Samuel L. Jackson.



Stevie Wonder, left, and Spike Lee at a Cannes press conference.

Lee himself appears in the small but important role as the architect's best friend.

Lee's screenplay is as triumphant as his direction of it, his Italian-American dialogue as authentic as the speech he gives his African-American characters.

The film is alternately funny and harrowing, especially in two sequences that might be called "coups de cinema." In one, a group of black women sit around a table attempting to console the wife of the philandering architect. They speak the truth, which is as hilarious as it is revealing.

The second sequence is a descent into hell, that is, into a Harlem crack house known as the Taj Mahal, referred to by one of its habitués as the "right wonder of the world." It may or may not be realistic, but it is completely plausible within the context. It's a vision of physical and spiritual desolation of near-Fallian proportions, scored, not inappropriately, by Stevie Wonder's "Livin' for the City."

It is also the sort of sequence that separates a filmmaker of singular

talent and courage from the hacks of the commonplace.

Lee shied away from the entire drug problem in "Do the Right Thing." It is central to "Jungle Fever," to the narrative as well as to the freeze frame that ends the movie.

"Jungle Fever" is alive from its opening credits and Wonder's title

song to that last haunting moment.

At the news conference following the screening, one reporter who had expected more violence reminded Lee that he had promised that this new film would make "Do the Right Thing" look like "Snow White." Lee's cheerful one-word comment: "Hype."



### Coming Up: 'Van Gogh'

Maurice Pialat's "Van Gogh," starring the singer Jacques Dutronc (at left) is among the few movies in competition that remain to be screened. Among the others is an American entry by Joel and Ethan Coen, "Barton Fink." Pialat won the Palme d'Or in 1987 for "Under the Sun of Satan."

## Love, Death and Censors: The Bergman of the East

By Joan Dupont

CANNES — At last the heavyweight challenges are showing up, provocative films that deal with the problems of creation — spiritual and artistic.

Jacques Rivette's "La Belle Noiseuse" (The Beautiful Troublemaker) is about the making of a masterpiece. Krzysztof Kieslowski's "The Double Life of Veronica" is a metaphysical trip through the looking glass. Rostam Khamdamov's "Anna Karamazova" centers on a woman who returns from Stalin's labor camps.

There are certain films that only the French can do — and get away with. No other cinema could produce a phenomenon like Rivette's "La Belle Noiseuse," and keep an audience in thrall for four hours. Here is a movie with a title nobody understands, from a Balzac story ("Un Chef d'oeuvre inconnu") hardly anybody has read; the hours tick away without sex or music, to the rasp of the artist's pen on paper. It's something like watching a Riemer film with less dialogue, in slow motion.

The action turns on the creative process and the ruinous toll it takes on relationships. French, a great figure in modern art, lives with his wife Liz in an ennobling dilapidated chateau. Liz has been his model for "La Belle Noiseuse," a painting he could never finish. Nicolas, a young artist, pushes his girlfriend Marianne to pose for the master; she becomes the new Noiseuse — a beautiful nuisance who upsets everybody's delicate domestic bliss.

Michel Piccoli is ferocious as the old monster (artist Bernard Dufour does the actual painting). Jane Birkin, who plays Liz, starts off all smiles, an irritating maternal-muse, and finally shows her teeth. Emmanuelle Béart as Marianne acts from the gut.

The Polish director Krzysztof Kieslowski won the jury prize here in 1987 with "A Short Film About Killing," which was actually part of

his Decalogue in a longer form. Kieslowski, the Bergman of the East, makes close encounters between souls in perdition, cooking up diabolical plots with his old accomplice, Krzysztof Plesiewicz, a prominent criminal defense lawyer.

"The Double Life of Veronica" has an enigma at its center: Two young women, born far apart, are identical. The Polish Veronica, a singer, has a heart attack in the middle of a recital; she goes out on a note of passion. The French Veronica teaches music in the provinces; she lives as though somebody else has suffered for her, skirting danger, attentive to the murmurs of her heart, she is saved by a quirk of fate, or love.

Kieslowski multiplies the coincidences, confounds his heroines with clues — they are haunted by the sense that they are not alone. cross paths, but never meet. Veronica of Krakow looks at her surroundings through a small glass ball, and these images, distorted and inverted, show up in the life of the French Veronica.

In the dual role, her first big part, Irene Jacob, 23, is ethereal as Veronica, earthy as Veronique. "I played the parts completely separately," she says. "I was lucky to work on characters who have so much to express — loss, solitude, and despair — the feeling that sometimes, life goes too fast."

There are gifted people whose careers take off like shooting stars, and then there are clouded destinies — like the Soviet director Rostam Khamdamov.

In 1974, he directed his first feature, "The Slave of Love," which was about a film being made and interrupted by the Revolution. But he never finished it. When Mosfilm, the Soviet production board,

realized he was shooting his own script and not the official version of history, Khamdamov was fired and, for a time, he dropped out of sight.

"Anna Karamazova," which Khamdamov started shooting in 1989, includes footage of a doomed "Slave of Love."

JEANNE MOREAU. Anna, a woman from the camps after the 1940s, a relic of the past. She gets off the train in a grad, crosses bridges, enters a legendary creature, a woman adrift with hair like sea foam. Apartments and even the heavily pillaged, by real or by the pillage — we're talking about dolls, faces, ominous plumes, draped in black market furs. And she plunders herself, stealing to give to the poor.

The title, "Anna Karamazova," comes from Nabokov. One of his students asked him if he would lecture about Anna Karamazova, mixing Tolstoy with Dostoevsky.

This haunted film goes from color to black and white, and there are scenes that are painted — a piece of sky, a terrace with birds winging past — bits of paradise as familiar as a Matisse. And then there is the sinister netherworld where Anna's memories take her.

One of the strongest elements is from three trees of the black, black and white "Slave of Love," about the unfinished film of the Revolution. "Anna Karamazova," too, is about unfinished business, and lost lives.

Joan Dupont is a Paris-based writer specializing in the arts.

## Cheerful Surprise: Mel Brooks's Latest

By Thomas Quinn Curtiss  
International Herald Tribune

CANNES — As a surprise to cheer up the guests after a parade of grim and ghoulish movies, the festival authorities decided to slip in an additional comic relief and screened Mel Brooks's new creation. It bears an alluring title — "Life Stinks" — which might have been applied to several contenders for prizes.

Brooks has cast himself as a heartless tycoon who has made a bet with a vicious enemy that he can endure living penniless and without credit cards in a Los Angeles district inhabited by down-and-outers and drug addicts.

He eats in soup kitchens and sleeps on sidewalks while in his absence his enemy steals his fortune and properties. The harsh experience makes him into a better man. In the end he is restored to his millionaire status and marries a beg lady he has met in the slums.

The scenario is mildly funny. "Bix," the Italian Pupi Avati tribute to the jazz musician Bix Beiderbecke, is free of the Hollywood clichés that rendered laughable the screen biographies of George Gershwin, Cole Porter and others of Bix's contemporaries.

Bix, as presented here, is a beset-down country boy, a Peter Pan who never grew up.

He was born in a small city in the Midwest, the son of very conservative parents. His possessive relatives scoffed at his success, insisting that he come home and run the life of a solid citizen.

Although aware of his talents and taking pride in his success when Paul Whiteman invited him to be a soloist in his orchestra, the hypersensitive youth suffered insecurity that drove him to heavy drinking, the fate of several American artists during Prohibition, and died at 28.

Avati has told this story with pathos and has found the proper actor for Bix: Bryant Washburn, who is an accomplished musician.

Chen Kaige's "Life on a String" is an exquisite Chinese spectacle inspired by an ancient legend. Two blind musicians, an old man and his disciple, a young boy, wander the desert.

The old one has been told that when he has broken 1,000 strings on his instrument he will be cured of his blindness. He accomplishes the feat but his sight is not restored. Pictorially, it touches perfection in its filming of landscapes.

Kitty O'Shea's

THE IRISH PUB

DUBLIN - 23 Rue Grand Canal St. Dublin 4 - Tel. 01-478-8888

BRUSSELS - 42 Bd. Charlemagne, (Métro Bonaparte) Tel. 230.7975

PARIS - 10 rue des Capucines (Métro Opéra) Tel. 01-5550-5550

PRIVATE ROOM - FULL CATERING FACILITIES

PARIS 7th

PARIS 15th

PARIS 17th

PARIS 18th

PARIS 20th

PARIS 21st

PARIS 22nd

PARIS 23rd

PARIS 24th

PARIS 25th

PARIS 26th

PARIS 27th

PARIS 28th

PARIS 29th

PARIS 30th

PARIS 31st

PARIS 32nd

PARIS 33rd

PARIS 34th

PARIS 35th

PARIS 36th

PARIS 37th

PARIS 38th

PARIS 39th

PARIS 40th

PARIS 41st

PARIS 42nd

PARIS 43rd

PARIS 44th

PARIS 45th

PARIS 46th

PARIS 47th

PARIS 48th

PARIS 49th

PARIS 50th

PARIS 51st

PARIS 52nd

PARIS 53rd

PARIS 54th

PARIS 55th

PARIS 56th

PARIS 57th

PARIS 58th

PARIS 59th

PARIS 60th

PARIS 61st

PARIS 62nd

PARIS 63rd

PARIS 64th

PARIS 65th

PARIS 66th

PARIS 67th

PARIS 68th

PARIS 69th

PARIS 70th

PARIS 71st

PARIS 72nd

PARIS 73rd

PARIS 74th

PARIS 75th

PARIS 76th

PARIS 77th

PARIS 78th

PARIS 79th

PARIS 80th

PARIS 81st

PARIS 82nd

PARIS 83rd

PARIS 84th

PARIS 85th

PARIS 86th

PARIS 87th

PARIS 88th

PARIS 89th

PARIS 90th

PARIS 91st

PARIS 92nd

PARIS 93rd

PARIS 94th

PARIS 95th

PARIS 96th

PARIS 97th

PARIS 98th

PARIS 99th

PARIS 100th

PARIS 101st

PARIS 102nd

PARIS 103rd

PARIS 104th

PARIS 105th

PARIS 106th

PARIS 107th

PARIS 108th

PARIS 109th

PARIS 110th

PARIS 111th

PARIS 112th

PARIS 113th

PARIS 114th

PARIS 115th

PARIS 116th

PARIS 117th

PARIS 118th

PARIS 119th

PARIS 120th

PARIS 121st

PARIS 122nd

PARIS 123rd

PARIS 124th

PARIS 125th

PARIS 126th

PARIS 127th

PARIS 128th

PARIS 129th

PARIS 130th

PARIS 131st

PARIS 132nd

PARIS 133rd

PARIS 134th

PARIS 135th

PARIS 136th

PARIS 137th

PARIS 138th

PARIS 139th

PARIS 140th

PARIS 141st

PARIS 142nd

PARIS 143rd

PARIS 144th

PARIS 145th

PARIS 146th

PARIS 147th

PARIS 148th

PARIS 149th

PARIS 150th

PARIS 151st

PARIS 152nd

PARIS 153rd

PARIS 154th

PARIS 155th

PARIS 156th

PARIS 157th

PARIS 158th

PARIS 159th

PARIS 160th

PARIS 161st

PARIS 162nd

PARIS 163rd

PARIS 164th

PARIS 165th

PARIS 166th

PARIS 167th

PARIS 168th

PARIS 169th

PARIS 170th

PARIS 171st

PARIS 172nd

PARIS 173rd

PARIS 174th

PARIS 175th

PARIS 176th

PARIS 177th

PARIS 178th

PARIS 179th

PARIS 180th

PARIS 181st

PARIS 182nd

PARIS 183rd

PARIS 184th

PARIS 185th

PARIS 186th

PARIS 187th

PARIS 188th

PARIS 189th

PARIS 190th

PARIS 191st

PARIS 192nd

PARIS 193rd

PARIS 194th

PARIS 195th



# Beauty and Mystery: Pre-Columbian Masterpieces

**NEW YORK** — Some events, later recognized as turning points, have a way of going unnoticed when they take place. This may well be the case with an extraordinary sale of pre-Columbian art by Sotheby's that turned into a success story.

To those who equate great art with huge prices, the sale of 324 objects for \$2,272,450 may not mean a great deal. To professional collectors, however, a session that leaves a mere 8.6 percent of the total unsold, only a week after the poor showing of Impressionist and Modern Masters in the same house, flashes a welcome message. Away from the areas devastated by speculation, it's business as usual, and brisk business at that.

## SOUREN MELIKIAN

The most potent ingredient in Tuesday's spectacular recovery is one that seldom fails to operate on true collectors — a substantial group of objects that once belonged to a great collector. The name that focused attention this week was that of Peter G. Wray of Scottsdale, Arizona.

His is a highly unusual story. An East Coast man who went to the university at Amherst and Columbia, Wray, now in his mid 50s, moved to Arizona. He bought a large house in Scottsdale, acquired vast tracts of land and became a major cattle breeder. He also immersed himself in American art, from 19th century paintings to colonial silver and North American Indian artifacts and costumes.

From there it was a natural step to the antiquities of the great Indian cultures that thrived in what is now Latin America. Again, he bought massively, but on more than one occasion, brilliantly, on the advice

of the noted scholar David Joralemon.

Some of his objects began to appear at auction, without mention of his name, as early as 1983, with estimates so steep that they stood little chance, according to dealers who spoke on condition of anonymity. In Sotheby's May 12-13, 1983, sale, a remarkable Mayan vessel made around A.D. 250-450, with a lid carrying a ruler enthroned, was "estimated" at \$30,000-\$50,000. This was unthinkable and the vase was stranded. It sold this week for \$30,900 (well above its revised \$10,000-\$20,000 estimate).

Within a year, a whole group of Wray's pieces, this time prominently identified as "Masterpieces of Pre-Columbian Art," from the collection of Mr. and Mrs. Peter G. Wray, was included in a selling exhibition divided between the Andri Emmerich Gallery and the Perls Galleries in New York.

Klaus Perls, one of the world powers in 20th century masters, was approached first and brought in Emmerich, a leading Contemporary Art dealer who had previously dealt in pre-Columbian antiquities.

Emmerich says he saw in this "a chance of displaying a first rate collection of objects that could no longer be imported into the United States." The exhibition lasted from April 11 to May 12, 1984, and its catalogue is now a rare bibliographical item. But with price tags unrelated to going rates, not one of the masterpieces found a buyer.

In the event, Wray proceeded to sell a large chunk of his collection then passed into the hands of a Detroit millionaire, Richard Manogian, interested in all things pertaining to the American past, as noted by the monthly publication *Art & Auction* when featuring his 19th century American paintings. On Tuesday, several of the Wray-

Manogian pieces were in the sale. It was impressive to note how many had in the meantime found their way into scholarly publications, duly recorded by Sotheby's experts Stacy Goodman and Fatma Turkkan-Wille.

One of the star lots, a Mayan beaker of the "Late Classic" period (circa 550 to 950) in terra cotta painted with mythical scenes, is analyzed in detail by Justin Kerr in "The Maya Vase Book" published in 1989. Two square tableware are framed by bands of glyphs that can now be deciphered and understood to some extent. They deal with the "Hero Twins," cast confronted with a supernatural being from the underworld. Bands of glyphs painted within the field convey the

gently incised with scenes from the underworld, climbed to \$6,600.

That the collector factor was crucial that day was borne out each time pieces that had once been in great collections came up, particularly where early publication guaranteed that their possession could not be claimed to contravene the U.S. laws against archaeological looting. A fine stone head "hacha" from Veracruz in the form of a stylized monkey head, which was included in the epoch-making 1969 exhibition of "Pre-Columbian Art in New York Private Collections" at the Museum of Primitive Art, sold for a stiff \$18,700. Immediately after, a stone head of the "Late Classic" phase, which was exhibited as part of the Jay C. Leff Collection at the Carnegie Institute in Pittsburgh in 1959, rose to \$27,500, exceeding the high estimate by a quarter.

The most enthusiastic response, in proportion, was to a poncho from Peru woven by the Huari people between A.D. 500 and 800. This was published in 1949 by Alfredo Taillard in a book called "Tejidos y ponchos indígenas de Sudamérica." To collectors, the book, printed in Buenos Aires, is a desirable item and the reappearance of one of the lost fabrics illustrated in its pages must have looked like a miracle. It turned up one day in Sotheby's London book department, jammed between the pages of a copy of Taillard's book. When advised of its discovery, the consignee of the volume, who had inherited it, said he had no idea what it was and did not want it. The book department turned to Turkkan-Wille.

Her first move was to send the tattered textile to a restorer. Its bold design became more legible and the color scheme, with a strong mauve pink ground, regained some freshness. But it retained a dilapidated appearance. In view of

its rarity, Turkkan-Wille gave it a \$30,000 to \$40,000 estimate, fearful that it might not make it. At the viewing, it hung a few steps from a Chanéy textile woven around 1100-1400 in similar hues but considerably more strident in its almost mint condition. The Huari fabric seemed doomed. Yet while the Chanéy poncho "only" made it to the high estimate, at \$16,500, the Huari textile more than doubled it, ending its ascent at \$90,750.

The aura of an early collection recorded in an early publication? In part, undoubtedly so. But also the collectors' yearning for important pieces. This rose to a pitch when a serpentine mask from the "Middle Preclassic" period of Olmec culture, around 1150-550 B.C., came up without any stated provenance. One dealer told me he was skeptical about its authenticity and at least one well-known scholar is reported to have expressed similar views. This had little effect on the Swiss collector who went after it tooth and nails or the Mexican understbidder. At \$429,000, the mask set an all time high in its category.

A DAY later, in Sotheby's sale of "tribal art" from Africa and the South Seas, another important work of art that might have failed for different reasons likewise set a record. The Senfo wooden figure, executed as a rhythm pounder, has been exhibited and published many times in America since it was first seen in the Museum of Primitive Art 1963 show, "Senfo Sculpture From West Africa."

But it had changed hands several times in recent years. Until a few months ago, dealers say, it belonged to William Rubin, a now retired director of the Museum of Modern Art, rumored to have paid with it in order to buy a South Seas piece more in line with his taste. Recently, it was available in



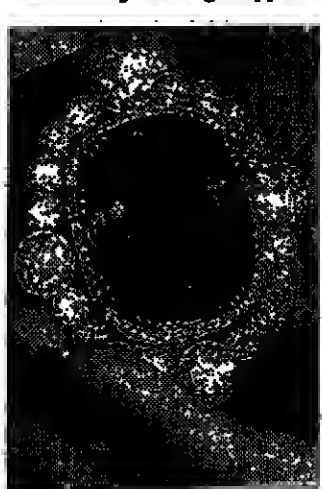
Olmec serpentine mask sold for record \$429,000 at Sotheby's.

New York at a price "in the area of \$1 million." This could have proved fatal at auction. Bernard de Gruene, Sotheby's expert, gave it an \$800,000 to \$1.2 million and his gamble came off against all odds. A U.S. collector got it for \$1,017,500, the highest price ever for a Senfo piece. There can be no doubt about it. Collectors are back on the hunting path and the heat is on.

Senfo rhythm pounder sold for \$1.01 million.

## FOR SALE/SOLD

**Sensational sapphire:** The largest sapphire ever put on auction was bought in Geneva by a Saudi businessman for \$2.3 million, more than twice the pre-sale estimate. The sapphire, weighing 337.6 carats and set in a diamond and platinum mount in 1910, was a star lot at a Christie's jewelry sale. Sheikh Ahmed Hassan Fathi, owner of one of the leading Jidda department stores, was quoted by the auctioneers as saying he wanted to sell this "magnificent jewel in my country." The previous owner was not identified. A Christie's spokeswoman said that only four larger sapphires



The biggest sapphire ever auctioned: \$2.3 million.

are known to exist, all in museums. They include the 536-carat "Star of India" in the American Museum of Natural History in Washington, and a 548-carat gem, known as "Peter the Great's Nose," in the Green Vault of Dresden.

**Notorious car unsold:** A bright red Ferrari that was given to President Carlos Menem of Argentina by a group of Italian businessmen went to the block — and stayed there when the public failed to bid. A base price equivalent to \$120,000 had been set for the Ferrari 348 TB at the auction at the Banco de la Ciudad in Buenos Aires, where the car had been on display for 10 days. The auctioneers' energetic appeals were met with silence by the public, and he was obliged to cancel the auction. The car will again be put up for sale in 30 days. The car had become a symbol of corruption after it appeared in Menem's driveway in November. At first Menem said it was a gift from Ferrari, which quickly denied it. Then he said it was a gift from Ferrari, which quickly denied it. Then he said it was a gift from Ferrari, which quickly denied it.

Scotland acquires a Leonardo: The National Gallery of Scotland

has announced the purchase of a collector's sheet of drawings of an animal's paw by Leonardo da Vinci. It cost \$670,000 (\$1.14 million) and is the first Leonardo drawing to enter a state collection in Scotland, said a spokeswoman for the Edinburgh museum. The drawings on both sides of a single sheet will be exhibited in low lighting conditions and under strong guard. The seven studies in metalpoint on pink-shaded paper could be of the paw of a dog or wolf. Christie's, which negotiated the sale, said it would not disclose the name of the seller.

**Record for Latin American:** Mexican artist Frida Kahlo's 1947 self-portrait sold for the highest price on record for an auctioned Latin American artwork in New York when a successful bidder bought the painting for \$1.65 million. "Self-portrait with Loose Hair" depicts the painter with a somber expression, her face framed by black tresses. Christie's would not identify the buyer, beyond saying that he was a Mexican.

**Bargain Van Gogh?** A Vincent van Gogh painting that was pulled from the auction block last fall after attracting a bid of only \$9.5 million has been sold for the same amount at a private sale. "Vase with Daisies and Poppies" had hung in the Albright-Knox Art Gallery in Buffalo, New York, until its part-owner, the philanthropist George F. Goodyear, decided to cash in on what was then a spiraling market for the artist's work. Christie's in New York had predicted that the painting would attract bids of about \$12 million at its Nov. 14 auction. The highest bid was \$9.5 million. Goodyear and Douglas G. Schultz, the Albright-Knox's director, said they were relieved to be able to get that price last week for the painting as sales prices have dropped on the international art market since November. "Much better to get \$9.5 million now than \$12 million a few years from now," Goodyear said. Schultz said he was not allowed to identify the buyer.

**Coming up:** Thirty-one Italian Old Master paintings from the collection of the entertainment mogul Ted Field will go on the auction block July 5 at Christie's in London. The auction house expects sales to total more than \$10 million. Christie's said Field was selling the collection as it "is not consistent with his present lifestyle." Among the paintings to be sold are two early works by Venetian masters: "Sacra Conversazione" by Tintoretto and "Portrait of a Venetian Soldier" by Veronese. Each is valued at \$1 million to \$1.5 million. Other artists represented in the sale are Bordonio, Pontorno, Bronzino, Guido Reni, Guercino, Tiepolo, Amigoni and Bassano.

**PARIS**  
A PARIS  
LE QUARTIER DES ANTIQUAIRES  
Carré  
Reve  
Gauche  
LES 5 JOURS  
DE L'OBJET  
EXTRAORDINAIRE  
May 22nd to 26th, 1991  
from 11 am to 10 pm  
Information: (1) 40 71 95 59  
in collaboration with:

**Solano**  
Sculptures  
16 mai - 15 juin  
Galerie Lelong  
15, rue de Valenciennes, Paris 8  
16 mai - 15 juin  
**Janowich**  
Peintures  
Galerie Lelong  
15, rue de Valenciennes, Paris 8  
In honour of Kistling's 100th Anniversary, an important exhibition will be held from April 18 to July 12, 1991 at the Galerie Daniel Malingue. Open for viewing from 10:30 - 12:30 p.m., and from 2:30 - 6:30 p.m. (except Sundays and Monday mornings).  
**GALERIE DANIEL MALINGUE**  
26, AV. MATHURON - 75006 PARIS  
**CLAUDE MONET MUSEUM IN GIVERNY**  
THE HOUSE - CLAUDE MONET'S GARDENS  
THE WATER-LILY POOL  
Open everyday except Monday, from 2 April to 31 October  
10 a.m. - 6 p.m. without interruption  
West highway, off. Route, exit Bommerville, Giverny near Vernon (Eure).  
Information: (16) 32 51 28 21

**ART EXHIBITIONS**  
**EASTERN EUROPE**  
**PETER MAX**  
EASTERN EUROPE MUSEUM TOUR  
1 9 9 1  
LENINGRAD  
Hermitage Museum  
Dorpat Exhibition Hall  
May 21st - June 16th  
PRAGUE  
Dates to be announced  
MOSCOW  
Academy of Fine Arts Museum  
July 7th - July 28th  
BERLIN  
Dates to be announced  
BUDAPEST  
Ernst Museum  
August 11th - Sept. 8th  
Peter Max's represented works will be in the United States by Hanson Galleries.  
For information call 415 351-6557  
For other inquiries call 212 874-8700

**PARIS**  
**WALLY FINDLAY**  
Galleries International  
New York - Chicago - Palm Beach - Paris  
2, Avenue Malignon - 48, Avenue Gabriel,  
75008 Paris. Tel.: (1) 42.25.70.74.  
Tuesday - Saturday 10 a.m. to 1 p.m. - 2:30 to 7 p.m.  
**GANTNER**  
11 April - 21 May  
**PARIS**  
**SAURA**  
WORKS  
1958-1964  
May 14 - June 29  
**ARTCURIAL**  
**POL BURY**  
STANDS AND FOUNTAINS  
April 18 - June 8  
**ARTCURIAL**  
**PARIS**  
**Art International**  
The Truly International Art Magazine  
Advertising/Subscriptions  
37, rue de Valenciennes  
75005 Paris  
Tel: 48.94.44.54 Fax: 48.94.12.17  
**GALERIE CLAUDE HENRY**  
54 Rue de l'Université, Paris 7th  
**REITER**  
MAY - JUNE  
**LONDON**  
**S. W. HAYTER**  
(1901-1989)  
A RETROSPECTIVE: 35 WORKS  
"More than any other English artist, Hayter was close to, familiar with and part of the evolution of Modern Art"  
Bryan Robertson  
Until 8 June  
Catalogue available  
**CRANE GALLERY**  
177a Sloane St. (1st Floor), London SW1  
Tel: 071-235 2444 Fax: 071-584 3843  
Mon-Fri 10-6, Sat 10-4  
**MADRID**  
**SPANISH MASTERS OF THE XX CENTURY**  
GUTIERRO - BORDABERRA  
**GALERIA JORGE MARA**  
Jorge Juan 15 (28001) Madrid  
Phone: 5782987 - Fax 5782481  
TORRES 38 70 21  
**MAY-JUNE 1991**  
**MILLARES**  
**GALERIA JORGE MARA**  
Jorge Juan 15 (28001) Madrid  
Phone: 5782987 - Fax 5782481  
**ROME**  
**Chiesa Santa Maria del Popolo - Piazza del Popolo**  
**DALI**  
Important exhibition of original artwork  
Open daily continuously 10:00 a.m. to 8:00 p.m.  
Friday, Saturday, Sunday 10:00 a.m. to 10:00 p.m.

**WORLDWIDE ENTERTAINMENT**  
**French-American Film Workshop**  
Avignon, France / July 2-7, 1991  
The 8th annual summer celebration of French & American independent cinema  
Contact:  
10, rue de la Tour  
30400 Villeneuve-la-Abbaye  
Tel: 90 25 93 23  
Fax: 90 25 93 24

**Rolex Ref. 18238**  
18 Kt. yellow-gold. One of the richest with diamonds decorated Rolex of the world, 23.87 ct. river/E - 11/11. There are only a few pieces in the world of this model. Original price over 240,000 US \$ our price less than 50%. Ask for a photo and description under  
Fabiani S.A.  
Tel: 41 81 43 5133  
Fax: 41 81 43 4143  
Davos Platz, Promenade 73,  
Switzerland.

**Arts every Saturday in the L.H.T.**  
Next Special Report on  
**ARTS & ANTIQUES**  
October 26, 1991  
For more information, please contact your nearest L.H.T. representative or Brooke Pilley, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: 46.37.98.00. Telex: 613395

**SERGEI CHEPIK**  
"TRAVELS THROUGH FRANCE"  
WATERCOLOURS  
★ NOW ON VIEW ★  
**ROY MILES GALLERY**  
29 Bruton Street W1  
Telephone 071-495 4747 Fax 071-495 6232 Monday-Friday 10am-6pm Saturday 10am-1pm











MARKET DIARY

Profit-Taking Pulls Dow Down Slightly

United Press International  
NEW YORK — Prices fell slightly Friday on the New York Stock Exchange in a late spate of profit-taking.

The Dow Jones industrial average, which had risen 28.63 points

pressed by declines in the bond market triggered by a lower-than-expected U.S. trade deficit for March.

Bond traders said the data meant that first-quarter gross national product could be revised upward, a sign that the economy is picking up, and that interest rates may not need to head lower.

"It's the old 'good news is bad news' for the stock market," said James Andrews, first vice president of institutional trading at Janney Montgomery Scott Inc.

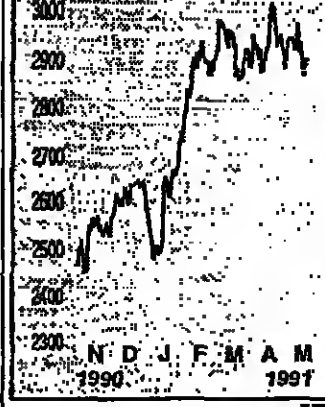
Although the "double witching" expiration of options on individual stocks and stock indexes was seen as orderly and buy-oriented, the profit-taking overwhelmed buying traders said.

By Associated Press May 17

The Dow

Daily closing of the Dow Jones industrial average

\$100



NYSE Most Active

Vol.	High	Low	Last	Chg.
Amgen	251.5	251.0	251.0	+0.5
Amgen	251.5	251.0	251.0	+0.5
Amgen	251.5	251.0	251.0	+0.5
Amgen	251.5	251.0	251.0	+0.5

May 17

Dow Jones Averages

Open	High	Low	Close	Chg.
Indus	2817.75	2815.50	2815.50	-2.25
Trans	1145.75	1145.75	1145.75	-0.25
Unl	2121.75	2121.75	2121.75	-0.25
Comp	1022.42	1022.42	1022.42	-0.25

Standard & Poor's Indexes

Industrials	444.27	439.97	443.33	+0.96
Transp.	279.69	278.61	279.29	-0.40
Utilities	137.00	136.63	137.82	+0.19
Finance	25.11	24.78	25.06	+0.33
SP 500	373.01	369.44	372.39	+0.62
SP 100	355.94	351.43	354.34	+0.91

NYSE Indexes

	High	Low	Close	Chg.
Composite	284.13	282.83	284.15	+0.32
Industrials	256.45	254.86	256.55	+0.19
Transp.	167.77	166.36	167.77	-0.11
Utilities	90.21	89.68	90.23	+0.02
Finance	148.34	147.49	148.34	-0.05

NASDAQ Indexes

Composite	—	—	461.38	-0.25
Industrials	—	—	533.10	-0.25
Finance	—	—	443.92	+0.10
Insurance	—	—	544.68	-1.40
Utilities	—	—	580.28	-1.50
Banks	—	—	328.36	+0.25
Transp.	—	—	365.10	+0.25

AMEX Stock Index

High	Low	Close	Chg.
358.32	357.19	358.01	-0.24

---

**Dow Jones Bond Averages**

Dow Jones Bond Averages

Open	High	Low	Close	Chg.
20 Bonds	102.25	102.25	102.25	-0.01
10 Utilities	102.25	102.25	102.25	-0.01
10 Industrials	102.25	102.25	102.25	-0.01

Market Sales

NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
174,200,000	174,200,000	174,200,000
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
174,200,000	174,200,000	174,200,000

S&P 100 Index Options

Open	High	Low	Close	Chg.
Call	102.25	102.25	102.25	-0.01
Put	102.25	102.25	102.25	-0.01

May 17

Dividends

Company	Per	Ann	Pay	Rec
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25

REVERSE STOCK SPLIT

Company	Per	Ann	Pay	Rec
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25

US Futures

Commodity	Open	High	Low	Close	Chg.
SUGAR	102.25	102.25	102.25	102.25	-0.01
SUGAR	102.25	102.25	102.25	102.25	-0.01
SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01

WHITE SUGAR (F0X)

Commodity	Open	High	Low	Close	Chg.
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01
WHITE SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

May 17

Dividends

Company	Per	Ann	Pay	Rec
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25

REVERSE STOCK SPLIT

Company	Per	Ann	Pay	Rec
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25
Warrior Energy	0.25	0.25	0.25	0.25

US Futures

Commodity	Open	High	Low	Close	Chg.
SUGAR	102.25	102.25	102.25	102.25	-0.01
SUGAR	102.25	102.25	102.25	102.25	-0.01
SUGAR	102.25	102.25	102.25	102.25	-0.01

COCA (F0X)

Commodity	Open	High	Low	Close	Chg.
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01
COCA	102.25	102.25	102.25	102.25	-0.01

COFFEE (F0X)

Commodity	Open	High	Low	Close	Chg.
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01
COFFEE	102.25	102.25	102.25	102.25	-0.01



## EC Split Stalls Energy Charter

BRUSSELS — The European Community is divided over what countries should be members of a European Energy Charter, intended to help the Soviet Union tap its abundant energy resources, EC officials said Friday.

France blocked moves by EC foreign ministers this week to invite the United States and Japan to a European conference to set up a free market in energy from the North Sea to Siberia.

And Spain wants North African countries, its main energy suppliers, to be invited.

Energy experts say time is being wasted. "The trouble is we have got bogged down on the question of membership. We have not even scratched the surface of the technical questions," one EC diplomat said.

The Energy Charter, brainchild of Dutch Prime Minister Ruud Lubbers, should be signed by the end of the year. But it will only be the beginning of the huge task of helping the Soviet energy sector with investment, technology and expertise.

The country holds 40 percent of the world's gas reserves and 7 percent of accessible oil deposits, but outdated technology has prevented it from fully exploiting its resources.

The idea was agreed at last November's summit of the Conference on Security and Cooperation in Europe.

Diplomats said there is strong support for involving the United States and Japan. "Any efforts to revamp the Soviet economy are going to need American involvement, its capital, technology and know-how. The same goes for Japan, they've got to be in there," a diplomat said.

The United States has shown itself willing to support the charter but says it must play a full part from the start of negotiations.

Washington has tried to implement the charter's provisions in its domestic legislation.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

Energy experts said participation by non-European countries could mean the charter was not legally binding, but a series of principles backed up by protocols signed by individual states.

## Soviets to Look Abroad Before Fuel Runs Short

MOSCOW — A senior Soviet oil official said Friday that Moscow must buy gasoline abroad before this year's harvest if the supply of crude to refineries could not be maintained at target levels.

Vyacheslav Yurov, head of the Russian Republic's oil supply corporation Rosneftprod, painted a bleak picture of the fuel-supply situation in an interview in the conservative daily newspaper *Sovietskaya Rossiya*.

Soviet refineries are expected to process 154 million barrels of oil less in the first half of 1990, he said. Domestic oil consumption was 3.1 billion barrels in 1988.

The drop in crude oil production has been attributed to cutbacks in investment, inefficiency, backward technology and poor work-force morale.

Gasoline supplies to the republic's consumers this year are expected to fall short by 42.5 million

barrels and diesel by 57 million barrels, he said.

Mr. Yurov said almost all refineries in the Russian Federation, biggest of the 15 Soviet republics, had refused to sign supply contracts with Rosneftprod for the same quantity as 1990.

"They prefer to keep the fuel and barter it for goods," he said.

Mr. Yurov said it was essential to maintain the level of crude supplies for refining up to the end of the

year to avoid a crisis in the provision of oil products.

"If that is not possible, then we must at once plan the purchase of gasoline abroad, not waiting until the situation at harvest time gets serious, as happened last year," he said.

Part of the bumper Soviet harvest last year was wasted due to widespread fuel shortages, which immobilized harvesters, processors and transport. Gasoline ran short in key cities leading to hours-long lines at filling stations.

## POLICY: Tories Must Hang On and Hope Lower Rates Speed Recovery

(Continued from first finance page)

ceased to fall — registering a surprise 0.8 percent rise in March — and consumer and business confidence surveys have begun to improve.

At the same time, however, capital expenditure continues to drop sharply. Unemployment is expected to keep rising for some months from 7.6 percent in April. There are as yet no solid indications that the housing market or consumer spending is beginning to pick up.

Economists said interest rates were the only instrument remaining that could have a decisive impact on economic activity and therefore political sentiments.

"They do have a potent effect on the economy, although they take a while to have their full impact," asserted Gwyn Hachce, U.K. economist at James Capel & Co.

Since joining the exchange-rate mechanism of the European Monetary

System last October, the Conservative government has pursued a tight monetary policy designed to squeeze inflation and protect the value of the pound.

ERM membership has not so far prevented the government from cutting rates. But economists pointed out that any sign the government was relaxing the fight against inflation would backfire. "Financial markets would react very badly," Mr. MacKinnon said. "The government would then have to put rates up again."

The government has allowed a modest rise in public spending and the first budget deficit in four years.

The economists said the slight fiscal loosening would alleviate the pain of recession somewhat and help bring the economy out of the downturn faster than would otherwise be the case.

## BULL: Cresson's Anti-Japanese Sentiment to be Tested by NEC Decision

(Continued from first finance page)

industry. As for links to Japan, "it isn't acceptable for Europeans to be totally dependent on the Japanese for their national defense and their industry," she said in a television interview.

But Mrs. Cresson did not rule out alliances between French and Japanese firms, either.

"I am beginning to look for ways of bringing about European alliances and alliances with Americans as well, of course," she said. "And why not certain alliances with the Japanese?"

Bull's future is at stake. NEC already supplies Bull with the key components of its top mainframe computer. Sheltered from competition for years, France's money-losing computer company just accepted another huge injection of government funds from the government for equity and research grants, and which the EC Commission may challenge.

Bull, while committed to remaining independent, undoubtedly needs NEC more than the Japanese company needs it.

NEC is interested in links to the European market that association with Bull can provide.

"The central problem," David Gibbons, a computer industry analyst for the London investment firm James Capel, said recently, "is that, while their U.S. and Japanese rivals have a global platform, none of the European companies has any significant presence outside the EC."

A Bull spokesman said that discussions with the Japanese company are continuing and that a share swap would mean "no greater role for NEC than it already has."

While Mrs. Cresson forged her anti-Japanese reputation on the anvil of auto imports, the Bull case actually poses a clearer test of whether she intends to pursue her argument that Japan's aggressive business practices must be halted before they go too far.

The Japanese "are like ants, eating you up," she told a U.S. newspaper in 1989. "You just don't notice it. You don't feel it. You don't see it. We intend to be firm with the Japanese."

## ZLOTY: Poland Devalues Currency and Ties It to Basket of Foreign Units

(Continued from first finance page)

11,100 rate against a basket of currencies including the dollar, the Deutsche mark, the British pound and the Swiss and French francs.

The finance minister, Leszek Balcerowicz, said this would better reflect Poland's foreign trade than a rigid link to the dollar.

The move came as President Lech Walesa convened a two-day summit meeting of leading economists in and outside the government to air a rising chorus of complaints against the austerity program of Mr. Balcerowicz, a holdover from the first non-communist government that took office in September 1989.

"I have full confidence in the government," Mr. Walesa said, but declared that he had gathered "the strongest minds in the country" in his presidential palace here because Poland's economic situation "could become dramatic."

Mr. Walesa told the Polish press agency that the devaluation would have only a minimal effect on inflation, which has been dropping this

year after running at a 250 percent rate in 1990. The latest official estimates project 55 percent inflation this year, but some officials have acknowledged a possible rate of 90 percent.

Although wages are indexed to inflation, workers in key industries have begun to stage protest strikes, and the Solidarity union federation led by Mr. Walesa until he became president has announced a national day of protests next Wednesday. In southwestern Poland, 20,000 copper miners went on strike this week to demand a doubling of their pay, which is now \$225 a month.

At the same time, rising costs and falling sales have forced layoffs in many fields, pushing the national unemployment rate to 7.37 percent, or 1.37 million workers. In some industrial cities such as Lodz, unemployment already is 11 percent, and the government forecast this week that 2 million people would be jobless by year-end in this nation of 38 million.

The biggest question hanging over Poland's economy is the fate of its heavy industry. Steel mills built to Soviet specifications from the 1950s to the 1970s are too inefficient to meet world competition, but closing them would add thousands more to the unemployment rolls.

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1750	2600	1900
1650	2450	1750
1550	2300	1600
1450	2150	1450
1350	2000	1300
1250	1850	1150
1150	1700	1000
1050	1550	850
950	1400	700
850	1250	550
750	1100	400
650	950	250
550	800	100
450	650	0
350	500	0
250	350	0
150	200	0
50	50	0
0	0	0

Exchange Index Friday Close Prev. Close % Change

Amsterdam CBS Trend 92.70 93.30 -0.64

Brussels Stock Index 5784.58 5779.45 +0.09

Frankfurt DAX 1598.87 1598.08 +0.05

Frankfurt FAZ 675.95 674.88 +0.19

Helsinki HEX 1042.80 1053.90 -1.05

London Financial Times 30 1923.60 1938.80 -0.78

London FTSE 100 2453.90 2471.90 -0.73

Madrid General Index 283.68 286.43 -0.96

Milan MIB 1120.00 1109.00 +0.99

Paris CAC 40 1826.96 1826.31 +0.04

Stockholm Affarsvarlden 1003.90 992.48 +1.15

Vienna SBC Index 566.51 569.58 -0.54

Zurich SBS 615.00 614.30 +0.11

Sources: Reuters, AFP

## Hanson Interest in ICI Attracts EC Attention

BRUSSELS — The EC Commission is watching for any attempt by Hanson PLC to become Britain's biggest company by taking over Imperial Chemical Industries, an EC spokesman said Friday.

The spokesman said the Commission's cartel office was watching the case but would make no inquiries unless Hanson actually attempts the takeover of ICI, Britain's biggest industrial group.

Market analysts have predicted Lord Hanson, who heads the British conglomerate that bears his name, will try to take over ICI after buying a 2.8 percent stake in ICI for £240 million (\$420 million) Tuesday.

EC officials said it was highly unlikely such a big takeover would not be reviewed by the Commission.

Members from both government and opposition parties in Britain have voiced concern about a bid by Lord Hanson, a renowned corporate raider, for an industrial flagship the size of ICI.

Under EC rules, the Commission can review all deals where the firms' aggregate worldwide sales exceed 5 billion European currency units (\$6.1 billion) and where each generates sales of more than 250 million ECUs inside the EC. An exception is if two thirds of both firms' total revenue is made in one country, which is considered unlikely in this case.

EC merger inquiries start with a one-month review when the companies request clearance. If the Commission questions the impact an alliance would have on competition, it can launch a full-scale inquiry.

## Generali Gives Warrant Offer Details

MILAN — Shares in the insurer Assicurazioni Generali SpA, which had been suspended briefly Friday morning pending questions about a 1.7 trillion lire (\$1.3 billion) capital increase plan, closed higher when trading resumed. Generali closed at 34,900 lire, 170 lire above Thursday's close.

Consob, the Italian market regulatory commission, suspended trading in Generali shares pending questions about a proposed offer of 145.75 million warrants. Friday morning, Generali released more details on the issue: Each warrant costs 6,000 lire and can be converted into a Generali share for an extra 6,000 over the next 10 years.

## NASDAQ

Friday's Prices  
NASDAQ prices as of 3 p.m. New York time. The list compiled by the NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE

High Low Stock Div Yld PE High Low Stock Div Yld PE







33 Month High Low Stock Div Yld PE 52s 100s High Low 100s

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																				

(Continued)

<b>ACROSS</b>	<b>75 Hampshire or</b>	<b>10 Local</b>
<b>1</b> Type of beer	<b>Yorkshire</b>	<b>11 Ad</b>
<b>5</b> Vainglory	<b>76 Curved inward</b>	<b>12 Bi</b>
<b>9</b> At the stern	<b>79 Medium is one</b>	<b>13 Su</b>
<b>12</b> Rival of U.S.C.	<b>80 Broad sash</b>	<b>13 Su</b>
<b>16</b> Isle of Hawaii	<b>82 Varsity</b>	<b>14 Th</b>
<b>17</b> Long narrative	<b>member's</b>	<b>15 W</b>
<b>19</b> Deedless	<b>prize</b>	<b>16 Th</b>
<b>20</b> ——— symbol	<b>'When</b>	<b>18 Ph</b>
<b>21</b> Robards and	<b>... marching</b>	<b>18 Ph</b>
<b>22</b> Part of a	<b>—!"</b>	<b>19 Ph</b>
<b>23</b> marks	<b>89 Retail sign</b>	<b>20 Cr</b>
<b>24</b> Diarist's	<b>81 Formal order</b>	<b>21 Co</b>
<b>25</b> activity	<b>82 Type of jet</b>	<b>22 Je</b>
<b>26</b> Patriotic song	<b>engine</b>	<b>23 Br</b>
<b>27</b> ——— phrase of	<b>83 Alphame, to</b>	<b>25 Un</b>
<b>Madagascar</b>	<b>Gaston</b>	<b>26 Wo</b>
<b>28</b> Monogram of	<b>94 ——— up (riled)</b>	<b>27 to</b>
<b>T. Wolfe's</b>	<b>95 Composer of</b>	<b>28 Wo</b>
<b>eminent editor</b>	<b>"The Seasons"</b>	<b>29 to</b>
<b>29</b> Trifle	<b>97 Scandinavian</b>	<b>31 "F</b>
<b>30</b> Kind of panel	<b>goddess of the</b>	<b>34 Wi</b>
<b>or year</b>	<b>future</b>	<b>Wo</b>
<b>31</b> Where Warden	<b>99 An Afg.</b>	<b>35 Th</b>
<b>Lewis worked</b>	<b>neighbor</b>	<b>37 Ba</b>
<b>32</b> Pipe elbow	<b>102 One of the</b>	<b>40 G.</b>
<b>33</b> Zero	<b>Hogges of Tex.</b>	<b>40 G.</b>
<b>36</b> One of	<b>103 An Asian</b>	<b>41 Ha</b>
<b>Carmen's</b>	<b>capital</b>	<b>42 Vo</b>
<b>people</b>	<b>104 Doubled</b>	<b>43 Do</b>
<b>37</b> Was left on	<b>phrase in a</b>	<b>jok</b>
<b>base</b>	<b>novel ending</b>	<b>44 Mi</b>
<b>38</b> Villiped	<b>108 Fit for use</b>	<b>44 Mi</b>
<b>40</b> Multi-star 1983	<b>110 Fanfare</b>	<b>45 Sy</b>
<b>movie</b>	<b>111 Lapping</b>	<b>47 Ba</b>
<b>46</b> Spotted cat	<b>112 Visit by a</b>	<b>Br</b>
<b>48</b> River in N	<b>medic or</b>	<b>52 Cr</b>
<b>Chile</b>	<b>clergyman</b>	<b>54 "F</b>
<b>49</b> Mazuma	<b>113 "The Wreck of</b>	<b>bol</b>
<b>50</b> Use finger	<b>the Mary ———"</b>	<b>plu</b>
<b>painis</b>	<b>114 ——— a time</b>	<b>56 Do</b>
<b>51</b> Dowitcher	<b>(singly)</b>	<b>57 Pr</b>
<b>53</b> Sacred: Comb.	<b>116 For shame!</b>	<b>Sp</b>
<b>form</b>	<b>116 Swedish rug</b>	<b>58 wa</b>
<b>55</b> Weikin	<b>117 Fr. holy</b>	<b>59 Cl</b>
<b>56</b> Tenon's mate	<b>women</b>	<b>61 Cr</b>
<b>59</b> Tucker's	<b>118</b>	<b>62 A</b>
<b>partner</b>	<b>Presault</b>	<b>63 Ne</b>
<b>80</b> Strauss's "—	<b>person</b>	<b>64 Ca</b>
<b>Hubert's</b>	<b>DOWN</b>	<b>65 Ne</b>
<b>62</b> Black tea	<b>1 Electric wall</b>	<b>66 Ba</b>
<b>64</b> Phrase from a	<b>receptacle</b>	<b>18</b>
<b>W.W. I song</b>	<b>2 About</b>	<b>67 —</b>
<b>68</b> Zoological	<b>(date-setting</b>	<b>74 Gi</b>
<b>suffix</b>	<b>phrase)</b>	<b>80</b>
<b>69</b> Equality	<b>3 Contemptible</b>	<b>81</b>
<b>79</b> Intention	<b>one, to Cato</b>	<b>82</b>
<b>71</b> Like certain	<b>4 Mount —,</b>	<b>83</b>
<b>scals</b>	<b>N.Y.C. exort</b>	<b>84</b>
<b>72</b> Side of a	<b>5 Ta-ta</b>	<b>85</b>
<b>trickle</b>	<b>6 Designer</b>	<b>86</b>
<b>73</b> Actor Bruce et	<b>Cassini</b>	<b>87</b>
<b>al.</b>	<b>7 Labyrinth king</b>	<b>88</b>
	<b>8 She wasn't</b>	<b>89</b>
	<b>hopeless</b>	<b>90</b>
	<b>9 "Doe, ———"</b>	<b>91</b>

**Ditto** By Ralph G. Bear

16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

77 Sinatra-Minnelli show stopper  
78 Of the heart  
79 Gained a lap  
80 Car's front shield  
81 Papete native  
82 Neon is one  
83 Impede progress  
84 Schnapps  
85 Opens hightops  
86 "\_\_\_" boorily!  
87 Bull and NDE, as gods  
88 Win by \_\_\_ (narrowly outrace)  
89 Graveside perhaps  
90 Certain keynote  
100 Monastery head  
101 Sharp N.E. city?  
102 Boniface  
104 In a bad way  
105 Interlake river  
106 Lines on a A.A.A. map  
107 "...I \_\_\_ wed"  
109 Mandrel,

**LEADERS IN SW**

easier to subsc  
us at our Z  
81 7200 Fax: (

[illegible]

© New York Times, edited by Eugene Malachuk.

© New York Times, edited by Eugene Maleska.

[illegible]

FEEDS DYADS KHAYYAM

It's never been easier to subscribe and save.

Just contact us at our Zurich office.

Phone: (01) 481 7200 Fax: (01) 481 8288







## FIRST COLUMN

### The Market: Beat It or Follow It

**F**RUSTRATING it may be, but it seems the most important questions can never be satisfactorily answered. And ranking very high up there, along with the deeper issues of metaphysics, ethics, theology and other brands of philosophy are two of the hardest questions of all: Why do markets move the way they do? Are fund managers really necessary?

The second question is answered only by reference to the first. If we can say with certainty that there is no hope of finding out why the markets move as they do, then we do need a fund manager to steer our money in the right direction, toward a land of milk, honey and substantial profit. But that money-making dangerous assumption that the managers know better than the rest of us where the markets might be heading.

Two days of certainty would be an immeasurable fortune. Any fund manager who knew with certainty how any market was going to react would be able to retire after 48 hours — probably less — in front of the screens. But anyone who claims to know what will happen tomorrow in finance is either a charlatan or a rogue.

**N**EVERTHELESS the search for the answer to the first question remains, as elusive as the alchemist's formula for turning base metal to gold. Some newsletter analysts have promoted a somewhat exotic link between the length of skirt hemlines — an indicator of the general level of optimism or otherwise — and the future direction of the markets. Whether this is a service worth paying for is another matter. In a way, fund managers have already given up on trying to predict the market. A large and increasing proportion of funds, particularly pension funds, now commit money to index trackers. In other words, instead of trying to beat the market they are content to follow it.

This week readers will see that many markets seem to move seasonally for the reasons reported elsewhere in the section. But will the managers of the funds launch a Spring Fund, invested in the index for the first third of the year and held on deposit thereafter? That might help answer our second question.

## Japanese Warrants Hit the Comeback Trail as Stocks Rally

By David C. Lanchner

**A**FTER five straight days of losses the Tokyo stock market recovered to finish the week on an upbeat note as traders speculated that the Bank of Japan was preparing to lower interest rates.

The Nikkei Stock Average of 225 selected issues gained 181.67 points Friday, clawing back some of the 918.23 it had shed in the previous five sessions. But the volume of shares traded — in part a measure of how seriously the market's shifts can be taken — was relatively low in Friday's 0.71 percent upward move.

Optimists would argue, however, that the volume in Thursday's session — when shares lost 1.17 percent — was also low. They would also say that Japanese interest rates have turned the corner.

After raising its official discount rates five times since May 1989 in a fight against inflation the Bank of Japan has been signaling easier credit times ahead.

What is beyond dispute, however, is the powerful recovery of Japanese stocks, up around 10 percent since the beginning of the year, after a very difficult 1990.

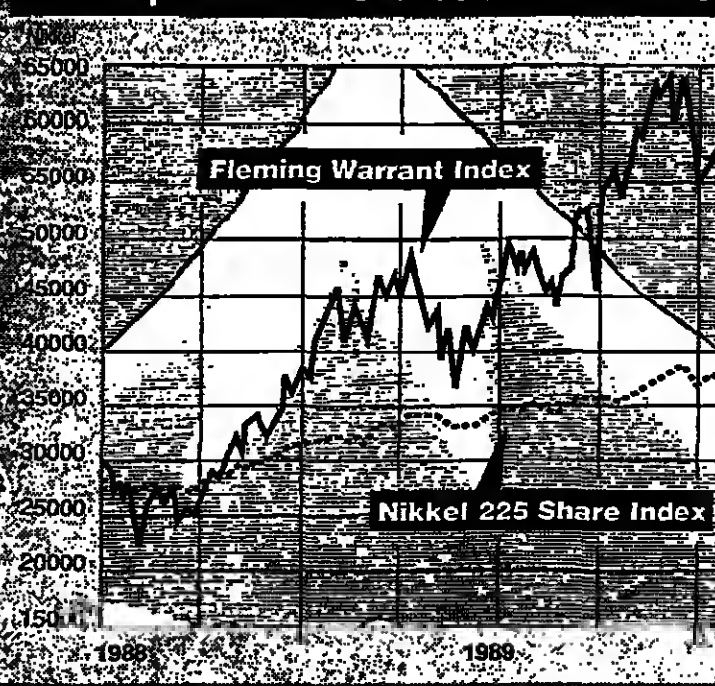
The performance of the main market has helped boost a spin-off, secondary market where the risks of loss are great, and the potential profits enormous. Japanese equity warrants, which confer the right to buy or sell a share over a specified period of time, are on the comeback trail. Spurred by the strength of Tokyo stock prices since the beginning of the year, value gauges for these highly leveraged instruments have registered gains in excess of 40 percent since January.

The strong bounce has sparked an inflow of money to Japanese warrant funds, which are the principal medium of investment in these risky securities for individuals. Traders are reporting renewed confidence in the staying power of a market that, because of its sorry state only three months ago, threatened either to tip into oblivion or produce good rewards for the brave investor.

At first glance, the principle of warrants is fairly straightforward. They are valid for several years — typically four — and offer investors the right to buy a specified amount of Japanese stock at a fixed price in yen. If a warrant is not exercised before its expiration date, it lapses and thus becomes worthless. Warrants start out attached to the bonds of Japanese companies as inducement for investors to accept a lower than usual interest rate, but are typically broken off and traded.

The attractions and complications of warrants stem from what professionals call "gearing." Because the prices at which newly

### Hot Summers, Cold Winters— The Gap Between Shares and Warrants



issued warrants can be exercised are higher than the value of underlying shares, the ultimate value of warrants is uncertain and as a result they cost less than stock. Investors who have paid a fraction for the share's price thus reap outside profits if shares actually reach the exercise price. Conversely, if stock prices fall, it becomes less likely that exercise prices will be achieved during the warrant's lifetime and the price drop is magnified.

In the 80s warrant prices rose spectacularly as more and more investors discovered the market. By and large these investors were convinced that the huge cash reserves of Japan and the country's low interest rates meant that stock prices could go only one way — up. "It was a completely illogical situation," says Bruce Seton, manager of Gartmore's Japan Warrant Fund. Reinforcing investor faith was the market's seemingly miraculous ability to deflect problems that sunk, or would have sunk, many of the world's markets. Among the difficulties steamrolled by Tokyo's long bull rally was the crash of 1987, the minicrash of October 1989 and the political scandals that plagued the country the same year.

"The result was a South Sea bubble or

Dutch Tulip type of speculation in warrants," says Mr. Seton. The quintessential anecdote of the period involves two warrant issues done by Mitsubishi Heavy Industries. Although one issue was set to mature in

The performance of the main market has helped boost a spin-off, secondary market where the risks of loss are great, and the potential profits enormous.

1993 and the other in 1995 they sold for exactly the same price despite the fact that the short-dated warrant was more likely to expire worthless than the long-dated issue. "People were certain they would both end up in the money," says David Smith, chief warrant trader at Morgan Stanley.

Irrational or not, the warrant market pro-

duced huge profits. The rub is that few individual investors profited. To trade directly in warrants, market makers typically demand a minimum investment of about \$750,000 and until October 1989 only two mutual funds were available for retail investors. One of those portfolios, MIM Nippon Warrant Fund, appreciated 1.151 percent between its launch in 1986 and its peak in December 1989 while the Tokyo stock market appreciated only about 120 percent in the same period.

But as so often happens with investments, warrants were only widely promoted for individuals after they had reached their peak, when a spectacular historical performance made such promotion easy. Six of the eight warrant funds tracked by MIM Japan Statistics were launched in the six months between October 1989 and March 1990, a period that comprises the peak as well as the first sharp downward climb of the warrant market. The three funds that existed for all of 1990 lost more than two-thirds of their value that year.

For a while, it looked as if investors would be stuck in a market that would simply disappear. At the Tokyo stock market bottom in October 1990, the typical warrant was

nearly 80 percent "out of the money," according to Nomura International. In other words, stock prices would have to rise that much before warrants could be exercised and their ultimate value assured. A continued flow of new issues was also uncertain, as the cost and embarrassment of issuing in the depressed market grew.

But a recovery in Tokyo stock prices, now 30 percent higher than in October, brought investors and issuers back. Tokyo's rise and new issues with lower exercise prices meant that the typical warrant is now only about 40 percent out of the money. "Considering that most warrants will not mature for another 2 years or more the average premium is very achievable," says Nick Kenworthy, a warrant salesman at Nomura International.

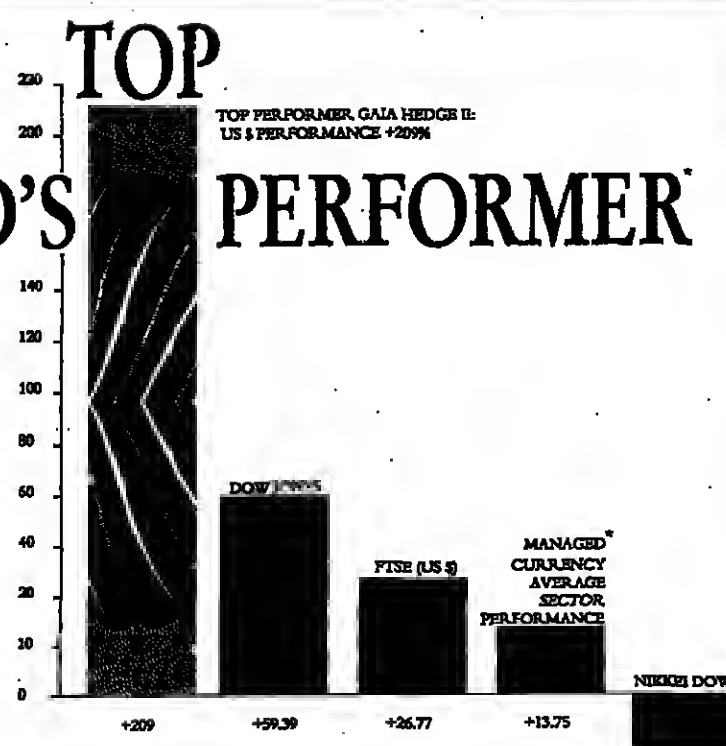
It becomes a particularly appealing market "if you are selective," says Mr. Seton. "There are a lot of issues that are only about 20 percent out of the money and they sell at attractive prices."

Such issues, which previously sold for more than 30 percent of the underlying stock's value now can be picked up for 20 percent of the stock price or less. Because less is paid, the potential reward for warrants finishing in the money is greater.

**A**ND even though the warrant market is very volatile, in theory it can be a more conservative investment than buying Japanese stocks directly. An investor intending to put \$10,000 directly into Japanese stocks, could limit potential losses and at the same time gain exposure to the same potential gain by alternatively putting only 20 percent of the earmarked funds into warrants. If he bought warrants maturing in two years and placed the remaining \$8,000 in bonds yielding 8 percent annually, the most he could lose after accounting for guaranteed interest payments would be \$668, or 6.7 percent, of his original \$10,000. Were Japanese stocks to fall by a greater percentage, the investor would have limited his losses, even though his warrants expired worthless. If they rise to exercise price, he would wind up with the same gain that would be achieved with a full \$10,000 investment.

Minimum investments for warrant funds typically range from the \$5,000 required by Gartmore's Japan Warrant Fund to the \$10,000 charged by MIM, although the Fleming FF Japanese Warrant Fund has no minimum. Shares in the closed-end fund recently traded in London's over-the-counter market for \$5.875, a 17 percent discount to the fund's actual net asset value. Fees range from a 1.5 percent bid spread on Fleming shares to a 6 percent front end load at the MIM Nippon Warrant Fund.

## THE WORLD'S PERFORMER



Gaia Hedge II has achieved over 209% net return in just under three years since launch, equivalent to a 45% compound annual return. This performance, for the year 1990 and for the period since launch has secured Gaia Hedge II the No.1 position not just among managed currency funds but of all 1800 offshore funds.

Pioneered by Gaia Corp, this new generation of currency fund utilizes forwards and options in a portfolio of long and short cross currency positions, determined by technically based optimization systems, proven in six years of currency trading.

Currencies do not behave like equities. They are a separate asset class, moving independently of economic cycles. Gaia Hedge II is the perfect vehicle for prudent diversification into currencies. No portfolio is optimal without it.

### IS GAIA HEDGE II IN YOUR PORTFOLIO?

If you'd like to hear more, telephone +44 71 493 7455 or clip the coupon.

Please send me my free information pack. AOT 224  
To: Gaia Corp U.K. Limited, 20 Upper Grosvenor Street, London W1X 9PB, United Kingdom. Fax: +44 71 493 3216.

NAME \_\_\_\_\_  
COMPANY \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POSTCODE \_\_\_\_\_  
TELEPHONE \_\_\_\_\_

**GAIA CORP**  
CURRENCY MANAGERS



## Offshore... on course

Steering the right course to successful offshore banking is plain sailing with the specialist facilities offered by Standard Chartered - a comprehensive range of financial services designed to keep your investments secure and on target.

For example, the Extra Value Deposit Account which has all the advantages of a current account and is available in Sterling or US Dollars. It also provides a cheque book, standing orders and monthly statements whilst paying a high rate of interest.

Standard Chartered's knowledge and proven experience offshore is available in a choice of three locations, Jersey, Guernsey or the Isle of Man. Each office offers the same range of products, identical interest rates and a high level of service. To provide customers with the best possible attention a new account will be directed to the most appropriate branch unless any specific preference is indicated at the time of opening the account.

Standard Chartered Bank Offshore banking that's plain sailing. Deposits made with offices of these companies in the Channel Islands and the Isle of Man are not covered by the Deposits Protection Scheme under the Banking Act 1987. The fund is not a regulated activity under the Financial Services Act 1986.

• Minimum deposit only £1,000 or \$2,000  
• Competitive rate of interest paid quarterly  
• No minimum withdrawal level  
• Tax not deducted at source  
• No bank charges

**Standard Chartered**  
OFFSHORE BANKING

For further details complete the coupon and mail to:  
Standard Chartered Bank (C.I.) Limited, P.O. Box 90, Cornhill, St. Helier, Jersey JE4 8YP.  
Standard Chartered Bank (G.I.) Limited, P.O. Box 90, Cornhill, St. Helier, Jersey JE4 8YP.  
Standard Chartered Bank (I.M.) Limited, P.O. Box 90, Cornhill, St. Helier, Jersey JE4 8YP.

☐ Extra Value Deposit Account ☐ Fixed Term Deposits ☐ Trust Services  
☐ International Health Plan ☐ Fund/Investment Management

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Tel/Fax \_\_\_\_\_







## THE MONEY REPORT

## The Three Seasons



## Equity Market

Jan-April

May-Aug

Sept-Dec

Average annual seasonal percentage change (1980-1990 U.S. without dividends)

	Jan-April	May-Aug	Sept-Dec
Hong Kong	12.5	2.76	3.10
London	9.72	1.22	3.75
Paris	10.89	-2.15	4.36
Tokyo	9.28	1.60	10.18
Frankfurt	4.38	1.45	5.99
New York	4.63	4.77	2.40

Results of a seasonal investment of \$100,000 rolled over annually from 1980 to 1990

	Jan-April	May-Aug	Sept-Dec
Hong Kong	\$34,035	\$11,225	\$11,409
London	\$25,974	\$10,826	\$13,207
Paris	\$28,084	\$7,297	\$14,840
Tokyo	\$21,156	\$10,858	\$27,837
Frankfurt	\$15,162	\$12,550	\$15,757
New York	\$15,929	\$16,357	\$12,067

Source: Morgan Stanley Capital International Indices

International Herald Tribune

## A Cure for the Summertime Blue Chips

By Katherine Burton

SELL in May and go away. That's the adage of British stockbrokers of old who — along with their clients — were eager to leave London for the summer and head for Asot. But as investors today plan for their summer getaways, should they also consider taking a holiday from the equity markets?

A look at the indexes of the stock exchanges of New York, London, Paris, Hong Kong, Frankfurt and Tokyo from 1980 to 1990 suggests that over the last 11 years investors in the British, French and Hong Kong markets would indeed have done well if they sold in the beginning of May and took their money elsewhere for the rest of the year.

In the other markets, however, the British motto was not entirely applicable. While the German and Japanese equity markets were fairly strong in the spring months and sluggish in the summer, the highest returns were reported in the autumn. And in the U.S. market, which also experienced a relatively strong spring, the best results came during the dog days of summer.

Of course, no analysts will tell you to buy or sell on the basis of a rhyme. "It would be too easy if it were true," said Heidi Weizel, a trader at Deutsche Bank in Paris. Indeed, such seasonal trends may not always work in the future, but the past does show surprisingly strong patterns. In Paris, Hong Kong and London, for example,

the markets rose 11 percent annually, on average, between January to April. Since 1980, the average for the period was negative only twice.

Look at the statistics another way. Investors who bought \$100,000 worth of stock in the Japanese market in September of 1980, sold it in December, and rolled over that amount the next year, always buying in September and selling in December, would have realized \$27,837 in 1990. A similar investment made between May and August would have yielded only \$11,409.

Explaining these trends is a matter of pure speculation. Most analysts, however, named the start of the corporate fiscal year, tax laws, vacations, the timing of dividend payments and of corporate reporting and forecasts as the major forces behind the seasonal movements in the markets.

"The growth in the first quarter in London is due to large institutional buying," said Tony Richardson, director of Quaker Goodison. "Most British companies close at year end so they are looking to invest their pension funds and life insurance funds." Given that the German, French and American markets are also primarily driven by institutional investing — and that corporate fiscal years in these countries also generally end in December — the same argument would apply.

Tax laws also tend to drive markets upward at the beginning of the year, according to Richard Davidson, a member of the equity market

strategy team of Morgan Stanley in London. In both France and the United Kingdom, he explained, investors tend to reinvest in the market, but it is often in smaller companies, rather than in blue chip stocks. While the buying of small capital stocks doesn't register directly on the S&P 500 or the Dow Jones Industrial Average, which include only the largest companies on the market, it generally does drive the market on the whole upward.

THE new year is also the time for the individual investor to set his economic house in order, and may be behind the early spring boost in the Hong Kong market. "There is a lot of optimism around the Chinese New Year," said A. Rama Krishna, the Asia Pacific strategist at Credit Suisse First Boston in Tokyo. He explained that because the Hong Kong market is dominated by individual investors, emotional factors play a stronger role there than in other markets.

After the spring buying spree, most markets experienced summer doldrums. "There seem to be more new stock issues in late spring, and these issues can push the markets down," said Marcus Grubb, European equities strategist at UBS Phillips & Drew. The biggest and most obvious reason for the summer slowdown, however, is vacation. No one wants to commit to new investments and then, like the erstwhile British brokers, go away on holiday.

The return from vacation in September, was generally followed by an increase in volume and growth. Mr. Grubb of UBS believes dividend payments might be responsible for some of this upward movement. "In the European markets, dividends are generally paid in the second half of the year, and in the case of institutional investments, some of these are automatically reinvested in the market."

The Japanese and German markets, which historically posted the highest gains in the fall, might have forecasts and company results to thank for the increases. "Japanese results generally come out in November or December and it is after these reports that many investments are made," said Mr. Krishna. German analysts also said that a second round of institutional investment usually follows the forecasts that come for the banks and investment houses in September.

In the U.S., end-of-year selling may be responsible for pushing the market down in the final quarter. "If portfolio performance has been good, the tendency is to lock in performance, sell in the fall and forget it," said Terry LePore, vice president of the U.S. equity desk of Salomon Brothers in London. "This tends to be an individual effect but it is still fairly strong."

The jump in the U.S. summer index remains the most puzzling. "There are often summer rallies in the U.S. market," said Mr. LePore, "but the reasons behind the rallies always seem to be different."

## Relocating and Social Security

By Tony Wakeford

TO most people, whether they continue to work in their home country or go overseas, social security contributions look and feel very much like a personal tax, but in fact there is an important difference, especially for expatriates and their employers.

Like income tax, social security is a liability to be met out of earnings (usually by deduction at source), but additionally it qualifies the individual concerned to be entitled to receive social security benefits.

These include sickness, unemployment and retirement benefits, to name just a few. Obviously, an entitlement the individual should not give up lightly.

Everyone in the U.K., including the department administering it, still calls this system "National Insurance," even though that expression now has no legal basis whatever. It is not even a helpful description: Use of the word "insurance" conjures up the building up of a fund that will be sufficient to pay out the "insured" benefits, but this has become a pure fiction. Virtually all social security systems are now "pay as you go" arrangements, with current payments by contributors meeting current benefits received by members.

Even so, social security is generally maintained as a separate system, and individuals' contribution records are an essential prerequisite of receiving benefits under it. Only a very few countries — New Zealand is one — have integrated social security contributions and personal tax.

So people's natural desire not to pay has to be balanced by a prudent assessment of their financial exposure, even if they can get out of it, and the financial benefits if they cannot, or choose not, to do so.

This confronts expatriates and their employers with some beguiling choices.

Where an individual is going from one country's social security system to another, the first thing to decide is which system to apply. In many cases the countries will have entered into reciprocal agreements, and these will contain rules for resolving this issue.

Typically, a particular individual remains in the home country's system where absences abroad are only temporary, and the department in the home country furnishes a certificate that will be recognized by the relevant authorities in the host country for this purpose.

What is "temporary," however, varies a great deal from case to case. Within the EC, for instance, it is usually 12 months, but this proviso is hedged about with further restrictions. In the case of the U.K./U.S. agreement it is five years.

At the very least, all this needs to be addressed before an assignment starts, and the requisite applications made and certificates obtained, and so on. Over and above that, however, the parties may actually prefer to have one country's system apply, rather than the other. This is usually because the contributions are at a more advantageous level.

Here, you have to look at the precise rules, and see if there are ways in which you can legitimately get the desired result. It is sometimes possible, but it usually requires careful planning, and it would be wise only to adopt such policies with professional advice.

Where they have decided to join the social security club, an area of concern for expatriates and their employers is the differences that may exist between the sum on which contributions are payable and the sum on which income tax is payable.

For instance, the value of benefits in kind are often taken into account for personal tax liability, but not for social security contributions. It often seems a good idea, therefore, to keep your subscription down by including a range of benefits in the remuneration package. This does not of course escape the attention of the legislators. They receive advice about such matters from the officials who administer social security. This year, the U.K. has taken a significant step to close this loophole, by bringing the value of car benefits and fuel provided within the scope of social security contributions payable by the employer, but with no additional liability for employees themselves.

This is perfectly understandable in all the circumstances, but of course it takes the system even further away from any idea of "National Insurance," because the additional levy is really nothing more than further taxation on employers, and is not matched by any increase in benefits potentially available to individuals. In fact, it is not dissimilar from the fringe benefit tax regimes of Australia and New Zealand, which similarly tax employers on the value of a very wide range of benefits provided. It will be interesting to see whether the U.K.'s initiative this year will turn out to be a blueprint for other social security regimes for the future.

TONY WAKEFORD is managing director of London-based tax practitioners J. Warwick Hardy.

## Some valid reasons for entering the UK property market

- Personal service for visiting expatriates
- 100% Sterling loans for visiting expatriates (subject to status)
- Mortgages for first and second properties

For further information, please phone Janet Boswell on 071 929 4002 or 071 283 0230

A written quotation is available on request from BNP Mortgages Ltd, 100, Victoria Road, London EC4A 3DF

YOUR HOME IS AT RISK IF YOU DO NOT GET YOUR MORTGAGE ON OTHER LOANS SECURED ON IT.

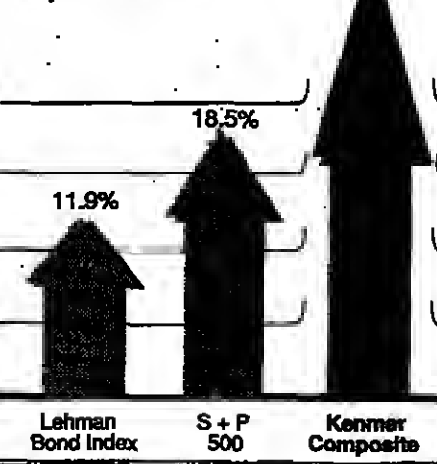
**BNP**  
BNP Mortgages Ltd.

## KENMAR

GUARANTEED &amp; L/C FUND (Series 2) LIMITED

## NEW FUND LAUNCH

Composite Annual returns July '84 - March '91



## THE FUND

The Fund is split into two classes of shares:

1. The Guaranteed class offers investors the combination of security of their initial investment with first class profit potential.
2. The Letter of Credit class offers investors excellent profit opportunities while they simultaneously employ the assets in other investments.

## PORTFOLIO DIVERSIFICATION

Academic studies have shown that there is little correlation in performance between stocks, bonds and futures; even a small percentage of selected Managed Futures in a broadly based portfolio can offer:

- a significant improvement in return
- substantially less risk at every level.

## THE MANAGER

Kenmar, who has achieved a cumulative return of 453% (July 1984 - March 1991), creates high growth Futures Portfolios designed to optimise profits and enhance the overall performance of your assets.

## OFFER CLOSES 28TH JUNE 1991

To receive full details and prospectus call, fax or send the coupon to O.T. Financial Services Ltd, worldwide broking and marketing agents to Kenmar.

O.T. FINANCIAL SERVICES LIMITED  
140 Brompton Road, London SW3 1HY, United Kingdom

Phone: 44 71 581 5841  
Fax: 44 71 581 5545

Please send me the Kenmar Guaranteed & L/C Fund (Series 2) Limited prospectus and all other relevant details before the end of June 1991.

NAME

COMPANY

ADDRESS

COUNTRY

POSTCODE

TELEPHONE

## World Market Performances Over the Week

Top Ten Stock Markets	Percentage Change
Spain	4.6%
Hong Kong	4.0%
Norway	3.9%
Belgium	3.8%
Switzerland	3.5%
France	2.7%
Austria	2.5%
Germany	2.3%
Denmark	1.8%
Italy	1.7%
Bottom Ten Stock Markets	Percentage Change
New Zealand	-4.2%
Sweden	-3.8%
U.S.A.	-2.8%
Singapore/Malaysia	-2.3%
Canada	-0.9%
United Kingdom	-0.5%
Australia	-0.1%
Netherlands	0.2%
Sweden	0.7%
Denmark	0.8%
Top Ten Bond Markets	Percentage Change
ES Banco Espanol de Credit	16.1%
JP Janome Sewing Machine	14.9%
HK Shaker Industries	13.4%
ES Imperial Chemical IX	12.8%
AT Jungbunzlauer	12.2%
IT Sella Metal Oxi	11.7%
US GSK Chemicals	11.5%
ES Asico (BBP)	11.4%
FR Instrumentation B&B	11.4%
US Amstar	10.7%
Bottom Ten Bond Markets	Percentage Change
US Compag Computers	-20.9%
IT Alfer	-24.7%
GB Glaxo	-19.8%
ES Surin Group	-17.2%
SE Cusson B&B	-17.2%
FR Pirelli	-17.0%
DE Pirelli	-16.5%
US General International	-15.8%
US USF & G Corp.	-15.1%

All figures are percentage change in 10-day index.

Source: Morgan Stanley Capital International Indices

## Receive 10 weeks of VALUE LINE for \$95\*

This trial subscription is open to you only if no member of your household has subscribed to Value Line in the past two years. We make this special offer because we've found that a high percentage of new subscribers who try Value Line stay with us on long-term basis. The increased circulation enables us to keep our subscription fees to long-term subscribers lower than would otherwise be possible.

Under the special trial offer you will receive the 2000-page Investors Reference Service at no extra cost. You will receive all the new full-page reports to be issued in the next 10 weeks on the more than 1700 American and foreign stocks and 97 industries regularly monitored by The Value Line Investment Survey.

In the Selection & Opinion section, which accompanies your weekly reports, you'll also get analyses and forecasts of the national economy and the stock market, guidance on current investment policy, and a long-term position on the securities markets, plus Value Line's specific stock selections.

Take advantage of this special introductory offer—and receive as bonuses without extra charge, the 2000-page Investors Reference Service and the "A Selection Guide" booklet which explains how our experienced investors can apply thousands of hours of professional research to their own portfolios by focusing on only two unambiguous ratings: "Buy" or "Hold." (Performance in next 12 months). The "Buy" or "Hold" rating is accompanied, along with name and address together with this ad to Dept. 313A18.

The Value Line Investment Survey®  
711 Third Avenue, New York, N.Y. 10017 U.S.A.

\*U.S. Dollars only. All inquiries should be directed to Value Line Publishing, Inc. Attn: Client Relations 711 Third Avenue New York, N.Y. 10017. The ad is sent by E.M. David Dutch Address Publication Distribution Service Ltd. Allow 4 weeks for delivery.

## Let your money talk and gain higher interest

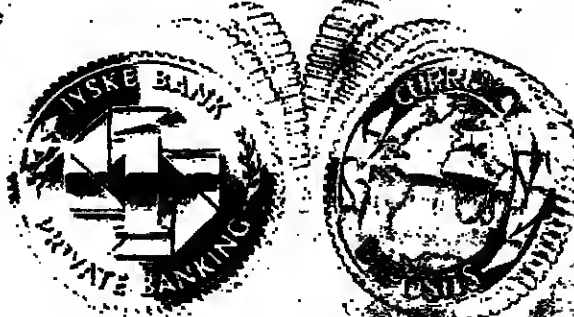
Attractive Currency Deposits in 14 different currencies

Let your money talk: Get a Currency Deposit with Jyske Bank. We offer you up to 14 high-interest currencies to choose from. Low minimum deposits at 3 or 12 months' notice. We will exchange your initial deposit to the currency of your choice. And you enjoy all these benefits including gross interest receipts if you are not a resident in Denmark. Jyske Bank represents 25 years of experience in Private Banking, today handling the financial requirements of more than 30,000 clients in 156 countries. If you're looking for professional, cost-effective service, let your money talk and get an account with Jyske Bank.

Deposits are covered by the Danish Deposit Insurance Fund up to DKK 250,000. Deposits are not covered by the UK Deposit Protection Fund.

Currency	Currency Savings Account (on USD 4,500 3 month notice)	Fixed Term Deposit (on USD 10,000 3 month notice)
SEK, Sweden	9 3/4%	10 1/2%
GBP, Britain	10 *	10 1/2%
ESB, Spain	11 1/4%	12%
ECU, European Currency Unit	—	8%

(Current rates as at 18 March 91)



**JYSKE BANK**  
Bank of Denmark  
Jyske Bank Private Banking (Int'l)  
Postboks 9 P.O. Box 133  
1790 Copenhagen V, Denmark  
Tel. +45 31 21 22 22  
Fax +45 31 21 42 05  
Member of TSA

Please send me information on Currency Deposits and other benefits of Jyske Bank, Private Banking (International)

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Tel. \_\_\_\_\_

331 404

أخبار من ألاف







## SPORTS

# For Mr. Doubles, Tennis After 50 and No Sweat

By Nick Stout

International Herald Tribune

ROME — Bald on the top, gray at the temples and with legs that confirm his 51 years, Mr. Doubles himself entertained a small crowd of tennis fans here Friday in a seniors doubles match with three equally shaggy veterans.

Bob Hewitt, who claimed 65 doubles titles in the open tennis era (exactly the number of titles Bjorn Borg has won in singles), had a partner in this side for a noncompetitive match against the Nastase and Belus Prigione. The combined age of the four oldsters was 182.

"Give me a couple of lobs," Hewitt shouted to a Babby Nastase during the prematch warm-up.

"You won't have to worry about any lobs," Nastase retorted as he kept the spectators amused with taunts in Italian.

When the umpire signaled two minutes to Hewitt, he staged a mock protest.

"He'll need at least 10," he insisted. But no amount of warm-up time would have changed the comedy of errors that followed. Perhaps the most amusing point was Nastase's transformation of what should have been an easy smash into a meteor-like shot that sailed, home-run style, over the high edges and out of sight into a court beyond.

It was pleasant to watch these four veterans having fun playing tennis instead of fretting and sweating with every shot like the real players seem to do. They had none of the anxieties associated with sponsors and rankings.

Hewitt, who lives in Johannesburg, has not held many rackets since he retired from the tour in 1980.

"You can see that I don't play very much at all," Hewitt said after he and Filie absorbed a 6-3, 7-6 defeat. "The reason is that I've had so many operations — three on each knee — that my body is too sore to play. I've played a couple of veterans' events but not enough to keep in shape."

But Hewitt is never far from the courts. His main preoccupation these days is a 17-year-old Italian upstart named Andrea Gaudenzi, widely recognized as one of the best junior prospects around.

"I was telling him that when I played this tournament, as one of the so-called better players, we used to have to find our own hotels," Hewitt said in a commentary from the senior side of things. "We used to come out here to the courts by bus. We couldn't afford a taxi, and the bus used to stop about one and a half kilometers away, and then we'd walk across to the Foro Italico. Now, of course, the hotel is booked for us. It's a luxury hotel and you have cars picking you up."

"We never had that," he added. "So they don't understand what we went through. And we didn't know any better, so we weren't complaining. But players get superbly treated nowadays."

All of which is good, Hewitt said.

"It gives the players a better chance to be relaxed," he said, "and to be able to play well. And then the spectators enjoy the matches more."

One aspect of professional tennis that has not changed, according to Hewitt, is the scant recognition given to doubles.

"I believe that doubles is a poor relation to singles," he said. "So many of the top players don't bother to play doubles. And when they do play doubles, it's for convenience. If they're in a smaller tournament they may play doubles because they want to hit some more balls. Maybe they're not getting enough match practice."

Hewitt pointed to a rule adopted recently by the ATP Tour that allows singles players 35 and over who have won at least one Grand Slam tournament to apply for an unlimited number of wild-card entries.

"They didn't bother to do that for doubles," Hewitt said. "I couldn't take advantage of it because my body's not good enough, but there are a lot of guys out there who perhaps could have played. Even the ATP is not really interested in doubles."

Not true, says the ATP Tour. If Hewitt would like to petition for such a change in respect to doubles, an official said, it would probably be considered.

Hewitt won most of his tournaments with Fred McMillan, who holds a record 74 doubles titles. Before Borg caught up with him, Hewitt was fond of pointing out that he had a better record than Borg, yet got little recognition for it. As for Borg's recent ambitions to play again, Hewitt said:

"I know the chap and I like him very much. I thought he was a great ambassador for tennis. I thought he was a great player. If he does come back, then I hope and pray that he makes a good comeback and not a flop of a comeback, because then people would know him as a flop rather than as the great player that he was."

Borg will be 35 in June, which makes him only two years younger than Vitas Gerulaitis, another one of the notable "seniors" playing here this week.

Prigione, too, is 36, and he and Nastase, 44, had an easy time.

When Filie delivered a lame lob that fell short of the net, Nastase was heard yelling from the backcourt. "Can you hit it harder, please?"

## Huber Upsets Sabatini In 3d Round in Berlin

Compiled by Our Staff From Dispatches

BERLIN — Anke Huber, hitting with power that belied her age of 16, stunned second-seeded Gabriela Sabatini, 7-5, 6-3, in the third round of the German Open women's tennis tournament on Friday.

Sabatini, ranked third in the world, came into the clay-court event with five tournament victories this year, including the Italian Open last week.

But the Argentine was unable to match Huber's powerful shots, which kept her from the net.

"It just wasn't a very good day for me," Sabatini said. "She played very well and didn't miss anything. That's life. You cannot play well every day."

Sabatini's defeat spoiled the organizers' hopes of a "dream final" between her and top-seeded Steffi Graf, who was idle Friday.

Huber's quarterfinal opponent will be No. 4 Arantxa Sanchez-Vicario of Spain, who beat Nicole Pietrangeli of Australia, 6-1, 6-1.

Another upset occurred the last night when No. 1 Jennifer Capriati, 15, defeated Natalia Zvereva of the Soviet Union, 6-2, 6-3.

And there was another upset when Julie Halard of France beat third-seeded Mary Joe Fernandez.

## Yankees Go Down, Throw Goes Out

The Associated Press

No one has ever hit a baseball out of Yankee Stadium. Jesse Barfield is one of the few to throw one out of the ballpark.

Wally Joyner homered in the fifth inning of California's 7-0 victory over the New York Yankees Thursday night. The ball bounced back into right field and Barfield picked it up and threw it out of Yankee Stadium.

"I was pretty frustrated," Barfield said. "We heard the cheer for the home run, and then another cheer, said a stadium security guard. 'We saw the ball come over the wall and heard it hit the subway tracks. The ball fell down and a kid got it.'"

Joyner went 3-for-3, raising his major league-leading average to .380. He put the Angels ahead with a three-run double in the third against Eric Plunk.

Jim Abbott scattered seven hits in his fourth career shutout. He walked none and struck out six in his first shutout since July 13. After going 0-4 with a 6.00 ERA in April, he has matched his career-high with three straight victories.

Joyner extended his hitting streak to 12 games. Luis Sojo doubled home a run in the fourth, Gary Gaetti's RBI double finished Plunk in the fifth and Lance Parrish hit John Mabayan with a run-scoring double.

Mariners 3, Indians 1: Tracy Jones and Pete O'Brien hit consecutive run-scoring doubles in the ninth inning for the Mariners in Cleveland.

Athletics 11, Orioles 5: Harold Baines continued his assault on Baltimore pitching with a three-run homer, two singles and a walk at Memorial Stadium.

Baines homered off Jose Mesa in the first after walks to Ricky Henderson and Jose Canseco. Baines is 11-for-16 with 11 RBIs against the Orioles this season; four of his five homers have come against them.

Brewers 6, Twins 3: Robby Yount and Dante Bichette homered at the Metrodome and Bill Wegman won his first game in almost a year.

Wegman, who missed much of last season and all of April with an elbow injury, pitched five innings to pick up his first victory since shutting out Oakland, 5-0, on May 18, 1990. He allowed five hits, struck out two and walked one.

Giants 5, Expos 4: In one of only two National League games, slump-ridden Kevin Bass had the key hit and the Giants barely hung on against visiting Montreal to win consecutively for the first time since April 21.

Reliever Francisco Oliveras got Tim Lincecum to hit into a game-ending double play with runners at first and third after Montreal had rallied for three runs in the ninth.

Bass had a two-run double, breaking a 1-1 tie in the fifth, only the second hit in his last 22 at-bats.

Pirates 4, Astros 4: Doug Drabek survived a four-run first inning and had a key hit as Pittsburgh rallied to win, completing its first three-game sweep at Houston since 1981.

Pittsburgh last swept a three-game series at the Astrodome April 17-19, 1981.

## Ex-Owner of Patriots Sues NFL Over Sale Ban

New York Times Service

NEW YORK — William H. Sullivan Jr., the former owner of the New England Patriots, has filed a \$348 million lawsuit against the National Football League, commissioner Paul Tagliabue, former commissioner Pete Rozelle and 21 NFL teams. The suit charges that Sullivan was illegally barred from selling 49 percent of his team to an investment banking firm in 1987.

At the time, the Patriots were deeply in debt and Sullivan wanted to relieve some of it with the sale. Had he not been blocked, the suit contends, he would still own 51 percent of the team.

After the NFL blocked the sale, Sullivan sold all of the team to Victor Kiam for \$85 million in 1988.

The lawsuit, filed Thursday in U.S. District Court in Providence, Rhode Island, charges that the league's policy against ownership of teams by corporations outside of football was an illegal restraint of trade and violated antitrust laws.

The suit also alleges duplicity on the part of the NFL, contending that a year before Sullivan's sale was disallowed, the NFL secretly allowed the San Francisco 49ers to transfer 100 percent of the team to the DeBartolo Corp., the family's shopping center conglomerate.

On Sept. 4, 1990, the NFL fined Edward DeBartolo Jr., the 49ers' principal owner, \$500,000 for violating the league's policy against teams being owned by non-football entities and violating the policy prohibiting controlling NFL owners from operating teams in other pro sports leagues.

The DeBartolo Corp. owns the Pittsburgh Penguins of the National Hockey League.

In a statement on Thursday, the NFL denied that its ownership policy was administered unfairly.

"The charges in the current complaint by Mr. Sullivan and his son-in-law, Joe Alioto, are totally without merit," the NFL said. "Mr. Sullivan benefited greatly by being an owner in the same NFL that he is now taking to court. It is a sad ending to the Sullivan's involvement in professional football."

Change for College Bowls Discussed

DURHAM, North Carolina (NYT) — Representatives of three major New Year's Day bowls, the athletic director of Notre Dame and the commissioners of the Big East and Atlantic Coast conferences are close to an agreement that would significantly alter postseason play in college football.

The plan, which avoids a playoff system, would enhance the chances of producing a national-championship bowl game. "We would be free to put the best teams against each other in whatever bowl they belonged in," Tom Mickle, assistant commissioner of the ACC, said after a meeting here Thursday. "We're one meeting away from agreement, would be my guess."

The plan would link Notre Dame and the champions of the Big East and ACC with the Cotton, Sugar and Orange bowls, as well as with an undetermined fourth bowl. Currently the Cotton Bowl reserves a berth for the Southwest Conference champion, the Sugar Bowl holds one for the Southeastern Conference champion, and the Orange Bowl designates a spot for the Big Eight champion. Under the plan, the bowls would arrange matchups of the highest-ranked teams among the five conferences, Notre Dame, and two at-large choices. With only the Rose Bowl ruled out, it is committed to taking the champions of the Big Ten and Pacific-10 — the chances of producing a national championship game could be greatly enhanced. If adopted, the plan would go into effect on Jan. 1, 1993.

For the Record

Charles E. Smith 4th, a former Boston Celtics guard, has been released on the same \$100,000 unsecured bond after pleading innocent to charges in connection with the hit-and-run deaths of two Boston University students in March. Smith appeared Thursday in Suffolk Superior Court to answer to two counts of manslaughter, vehicular homicide, driving to endanger and leaving the scene of an accident.

Jay Vincent scored 30 points as Philips Milan defeated Phonola Caserta, 87-72, in Milan to take a 2-1 lead in their best-of-five Italian League basketball championship series. Charles Shackelford scored 25 points for Phonola.

Melchor Marmol of Spain won a 53-kilometer time trial, the 19th stage of the Tour de Spain cycle race, on Friday in Valladolid, retaining the overall lead.

## Prpic, Sanchez And Mancini Gain Rome Semifinals

International Herald Tribune

ROME — Goran Prpic, the 27-year-old Yugoslav who has beaten his better-known Davis Cup teammate Goran Ivanisevic three times this year, advanced Friday to the semifinals of the Italian Open by defeating 11th-seeded Andrei Cherkasov, 7-6, 7-5.

Prpic, whose ranking has risen to No. 23 from 35 at the end of 1990, advanced to the semifinals of the Italian Open by defeating 11th-seeded Andrei Cherkasov, 7-6, 7-5.

Prpic, who scored a Davis Cup victory over Stefan Edberg in February, was the losing finalist last month in Nice, and last week he got to the semifinals in Hamburg, where Magnus Gustafsson beat him in a third-set tie-breaker.

The other semifinal match will pit Alberto Mancini against either Jorge Bruguera or Fabrice Santoro. Mancini, who won this tournament in 1989, advanced with a 6-4, 6-2 victory over Horacio de la Pena.

Bruguera and Santoro were playing their quarterfinal Friday evening.



Anke Huber slugging a backhand to Gabriela Sabatini on Friday.

Compiled by Our Staff From Dispatches

BERLIN — Anke Huber, hitting with power that belied her age of 16, stunned second-seeded Gabriela Sabatini, 7-5, 6-3, in the third round of the German Open women's tennis tournament on Friday.

Sabatini, ranked third in the world, came into the clay-court event with five tournament victories this year, including the Italian Open last week.

But the Argentine was unable to match Huber's powerful shots, which kept her from the net.

"It just wasn't a very good day for me," Sabatini said. "She played very well and didn't miss anything. That's life. You cannot play well every day."

Sabatini's defeat spoiled the organizers' hopes of a "dream final" between her and top-seeded Steffi Graf, who was idle Friday.

Huber's quarterfinal opponent will be No. 4 Arantxa Sanchez-Vicario of Spain, who beat Nicole Pietrangeli of Australia, 6-1, 6-1.

Another upset occurred the last night when No. 1 Jennifer Capriati, 15, defeated Natalia Zvereva of the Soviet Union, 6-2, 6-3.

And there was another upset when Julie Halard of France beat third-seeded Mary Joe Fernandez.

## SCOREBOARD

### BASEBALL

#### Major League Standings

AMERICAN LEAGUE East Division

Team	W	L	Pct.	GB
Boston	20	11	.646	0
Toronto	21	14	.600	1
Detroit	16	16	.500	4
White Sox	12	17	.413	5
New York	12	17	.413	5
Cleveland	11	17	.393	6
Baltimore	11	18	.379	7

#### West Division

Team	W	L	Pct.	GB
Oakland	20	13	.606	0
Seattle	20	14	.588	1
California	15	17	.471	5
Los Angeles	15	17	.471	5
Minnesota	17	17	.500	3
Chicago	15	15	.500	3
Kansas City	13	19	.406	7

#### NATIONAL LEAGUE East Division

Team	W	L	Pct.	GB
Pittsburgh	22	11	.667	0
New York	19	13	.594	3
St. Louis	18	15	.545	4
Cincinnati	17	17	.500	5
Philadelphia	16	19	.457	6
Montreal	16	19	.457	6

#### West Division

Team	W	L	Pct.	GB
Los Angeles	19	14	.576	0
Atlanta	16	14	.533	3
Cincinnati	14	14	.500	5
San Diego	14	19	.423	6
Houston	12	20	.379	7
San Francisco	12	22	.353	8

#### Thursday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
White Sox	21	16	.568	1
Minnesota	20	16	.559	2
Seattle	20	14	.588	0
Los Angeles	19	14	.576	0
San Diego	14	19	.423	6
Houston	12	20	.379	7
San Francisco	12	22	.353	8

#### NATIONAL LEAGUE

Team	W	L	Pct.	GB
Pittsburgh	22	11	.667	0
New York	19	13	.594	3
St. Louis	18	15	.545	4
Cincinnati	17	17	.500	5
Philadelphia	16	19	.457	6
Montreal	16	19	.457	6

#### Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
White Sox	21	16	.568	1
Minnesota	20	16	.559	2
Seattle	20	14	.588	0
Los Angeles	19	14	.576	0
San Diego	14	19	.423	6
Houston	12	20	.379	7
San Francisco	12	22	.353	8

#### NATIONAL LEAGUE

Team	W	L	Pct.	GB
Pittsburgh	22	11	.667	0
New York	19	13	.594	3
St. Louis	18	15	.545	4
Cincinnati	17	17	.500	5
Philadelphia	16	19	.457	6
Montreal	16	19	.457	6

### Japanese Baseball

#### Central League

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Pacific League

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Friday's Results

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Friday's Results

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Friday's Results

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Friday's Results

Team	W	L	Pct.	GB
Hiroshima	14	11	.560	0
Yokohama	17	14	.548	1
Yamaguchi	14	14	.500	2
Chiba	14	15	.481	3
Hokkaido	14	15	.481	3

#### Friday's Results

**ESCORT SERVICE**  
 The world's most beautiful escorts  
 in office in New York  
 City, N.Y. 10023  
 212-745-7896  
 Cords & Checks Accepted

**\*\*ZUR**  
 Caroline Escort Service

**\*\*\*\*\*ESCORT ON**  
 First Class Escort Agency  
 (212) 351-2278  
 voice for executives.

**LONDON**  
**ELEGANCE**  
**ESCORT & TRAVEL**



## DAVE BARRY Mr. Potato Head

M IAMI — Before I get to this week's topic — which, as you have probably already guessed, is deciding which Wisconsin community deserves the title "UFO Capital of the World" — I need to make a correction. I have received a letter from William Wagner of Ufoia, New York, who informs me that my recent column about tipping contained a "factual error." Specifically, Mr. Wagner informs me that I was incorrect when I stated that "savior fair" is French for "ear size" as in the sentence "Prince Charles and President Bush are men of great savior fair."

Mr. Wagner's letter states: "Your translation... told your readers with French-speaking background that your research and preparation is seriously deficient. A formal correction in your next article should be enough to correct this serious and embarrassing blunder on your part."

The letter ends: "Sincerely, Someone With Savior Fair, William Wagner."

Needless to say, I feel like a total Mr. Potato Head (or, as the French say, "un total Monsieur Tête de Pomme de Terre") about this. I deeply regret the error, and I wish to make the following formal correction: "Savior fair" does NOT mean "ear size." It means "nose hair," as in the expression: "Garçon! What are these savior hairs doing in your soup?" Or: "That William Wagner of Ufoia, New York, certainly has a lot of savior fair!"

□

Speaking of extraterrestrials, I imagine you are as concerned as I am about this Wisconsin UFO thing. I became aware of it when alert reader Michael Jones sent me an article from Wisconsin Tourism Development magazine, listing the slogans used by various Wisconsin communities to attract tourists. These include (I am not making these slogans up):

Babcock — "Where the Last Passenger Pigeon Was Killed."

Cumberland — "Rutabaga Capital of Wisconsin."

Ellsworth — "Cheese Curd Capital of Wisconsin."

Hurley — "Where Highway 51 Ends and the Fun Begins."

Kewaskum — "Gateway to the Kettle Moraine."

Mercer — "Loon Capital of the World."

Really, these are all wonderful places that you, as a tourist, will want to check out. You should also go to Bear Creek, Wisconsin, which boasts that it is "Home of the World's Largest Sauerkraut Plant." I called the plant, which is operated by Flanagan Brothers Inc., and spoke to vice president David Flanagan, who told me that every year Flanagan Brothers processes 40,000 tons of sauerkraut. Mr. Flanagan told me that visitors are welcome at the plant and can get free samples, so you will definitely want to forget about Disney World and take the family to Bear Creek. You can use this trip as a motivational tool ("If you kids don't behave, we're not going to go to the World's Largest Sauerkraut Plant!").

□

So anyway, while scrutinizing the list of Wisconsin slogans, I noticed that TWO communities — Belleville and Elmwood — both claim to be "UFO Capital of the World." So I called Elmwood and spoke to the village president, Larry Feller, and he told me they chose their slogan a few years ago when a fellow proposed to raise \$50 million to build a landing site for UFOs here. Feller said the man chose Elmwood because "there were a lot of UFO sightings here, so he wouldn't have to educate the people about UFOs."

Feller said the landing-site plan made Elmwood "very famous."

"It kind of went international," he said. "Some people from Elmwood were flown out to New York to be on the 'Gerald R. Ford' show."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

Next I called Belleville and spoke to Bob Belle, former president of the Belleville Improvement Group, who told me they adopted their slogan a few years ago after a UFO was sighted in the area, and every year they have a UFO parade around Halloween. I asked him if there were any plans to build a UFO landing site in Belleville, and he said, "I think our land is too expensive."

So there you have it: two communities, Belleville and Elmwood, both with solid claims to be "UFO Capital of the World." This is a tough call to make, but I would have to say, after weighing all the evidence, that the title rightfully belongs to: Lodi, Wisconsin, whose slogan is: "Home of Susie the Duck."

By Francis X. Clines

New York Times Service

MOSCOW — The Kremlin

has done something to de-

light the ordinary, literate Mus-

covite who prefers the day's lot

of desperation faced with satire:

The government recognized Mik-

hai Bulgakov, the great comic

novelist of underground anti-

Communist literature, as deserv-

ing of official birthday honors.

This is no small event in a na-

tion scrambling for hope. While

he was rehabilitated from govern-

ment opprobrium a generation

ago and his surrealistic novel of

Soviet life, "The Master and Mar-

garita," was published in his

hometown more than 20 years af-

ter his death, Bulgakov was not

accorded the fullest literary hon-

ors of an official birthday celebra-

tion until this week, on the 100th

anniversary of his birth.

This brought him the crowds of

public readers and soulful de-

claimers that annually mark the

days of giants like Pushkin and

Tolstoy, a special popular treat of

the Russian literary scene. It also

brought him acknowledgment in

Pravda, the Communist Party

newspaper, that he bolted firmly

from ideological controls and was

"one of the first" writers to de-

mand freedom of speech from the

Kremlin as a prerequisite of cre-

ativity.

Although dead for 51 years,

only Bulgakov himself might be

inscribed this literary footnote.

For he transcended abuse of state

and anguish of soul to create

"The Master and Margarita," the

novel revered by critics as Rus-

sian literature's searing master-

piece of satirical commentary on

the raggedness of daily life, a con-

dition that haunts this nation and

its capital more than ever.

"We have so many dead souls in

this country still, just as Bulgakov

wrote," said Dmitri Greshen,

a 29-year-old literary scholar tak-

ing time out from his researches

on Moscow intellectuals of the

1930s to arrange flowers on Bul-

gakov's grave.

"Our life now looks like the life

he wrote about, the life he rose

above," Greshen said, speaking

of the banal business of things.

The novel is a story of thwarted

love on one level told with a swift

and ingenious synthesis of man-

dane Moscow agonies, of the

Faust legend and of the condem-

nation of Christ, plus a cornucopia

of metaphors and sparkling

detail. Its relevancy is hailed

daily about this city by Mus-

covites and Soviet tourists who

rely on bitter laughter to shield

their spirit from the government's

bumbulings and who search out

the relics of Bulgakov's hard,

strange life under Stalin.

"My Bible," said a Moscow hu-

manist who has read the novel six

times, diving into it bedside for

the midnight inspiration of

laughter at life's frightening

quandaries.

In fully recognizing Bulgakov's

genius, the government of Presi-

dent Mikhail S. Gorbachev gains

some further popular credit. But

it comes only at the end of a

pilgrimage that has been occur-

ing here unofficially for decades

as hordes of readers daily visit the

actual Moscow locales of the no-

vel — a soul-stirring park turn-

ing, a still tatty apartment building

much as lovers of James Joyce

lovingly trek about Dublin after

the ghost of his "Ulysses."

"This book — its language and

its themes of love and death and

the problems of ordinary people

— this is my very favorite," said

Oksana Perepeyatnik, a 16-year-

old student. She likes to debate

her mother about the diabolically

attractive mix of human under-

standing and underworld powers

laid by Bulgakov into the novel's

Satan character, Woland.

She had just climbed the four

flights to Apartment 50 at 12 Bol-

shaya Sadovaya, where Bulgakov

lived and whose detail he con-

jured into Woland's apartment.

The walls, doors, ceilings of all

four stories of this still rundown

building are covered with decades

of tribute from the reading pub-

lic, surfaces scrawled with rever-

ent quotations and cries of the

heart, careful sketches of Bulga-

kov's characters, scraps of the

Beatles and Bob Marley lyrics,

scathing condemnations of the

state, pathetic plaints of the

heart.

There is celebration: "Glory to

life's heroes and freedoms!"



"We have so many dead souls in this country still, just as Bulgakov wrote," said a young literary scholar.

ing here unofficially for decades

as hordes of readers daily visit the

actual Moscow locales of the no-

vel — a soul-stirring park turn-

ing, a still tatty apartment building

much as lovers of James Joyce

lovingly trek about Dublin after

the ghost of his "Ulysses."

"This book — its language and

its themes of love and death and

the problems of ordinary people

— this is my very favorite," said

Oksana Perepeyatnik, a 16-year-

old student. She likes to debate

her mother about the diabolically

attractive mix of human